

Surrey Heath Borough Council
Executive
18 October 2022

Electric Vehicle Charging

Portfolio Holder:	Councillor Colin Dougan, Environment & Community
Strategic Director/Head of Service	Nick Steevens
Report Author:	Simon Mills, Climate Change Officer
Key Decision:	Yes
Date Portfolio Holder signed off the report	20 th September 2022
Wards Affected:	Bagshot, Windlesham & Chobham, Frimley, Watchetts, St. Michaels, Town, Heathside

Summary and purpose

The purpose of this report is to provide an update on progress on the electric vehicle (EV) charge point project in Council owned and operated car parks, and to endorse the appointment of a contractor for the delivery of the project.

Recommendation

The Executive is advised to RESOLVE to

- (i) note the outcome of the procurement; and
- (ii) delegate authority to the Strategic Directors for Environment & Community and Finance & Customer Services in consultation with the Portfolio Holders for Environment & Health and Finance & Customer Services to conclude contractual terms and proceed with the award of contract based on a 10-year contract term

1. Background and Supporting Information

- 1.1 The purpose of this project is to encourage the uptake of electric vehicles amongst resident in the borough, by facilitating access to convenient charging points.
- 1.2 A four week consultation exercise was carried out with residents, details of which are contained in Annex 2. This identified that access to charging facilities, particularly overnight charging is a particular issue for residents without access to off-street parking

- 1.3 In the light of this consultation, a scoping exercise was carried out by the Parking Team, which identified both potential suppliers of EV charging points and opportunities for off-street EV charge point installation in council owned car parks.
- 1.4 Seven potential sites¹, and suitable locations within them, were identified:.

Location	Type	Number
<i>Bagshot Car Park, The Square, Bagshot</i>	<i>Dual 7kW</i>	<i>5 Stations (10 Sockets)</i>
<i>Chobham Carpark, Chobham</i>	<i>Dual 7kW</i>	<i>3 Stations (6 Sockets)</i>
<i>Burrell Road Carpark, Frimley</i>	<i>Dual 7kW</i>	<i>4 Stations (8 Sockets)</i>
<i>Watchetts Road Carpark, Camberley</i>	<i>Dual 7kW</i>	<i>3 Stations (6 Sockets)</i>
<i>Yorktown Carpark</i>	<i>Dual 7kW</i>	<i>5 Stations (10 Sockets)</i>
<i>Portesbery Road Residents Carpark, Camberley</i>	<i>Single wall mounted 7kw</i>	<i>2 Stations (2 Sockets)</i>
<i>Martindale Avenue Carpark</i>	<i>Dual 7kW</i>	<i>2 Stations (4 Sockets)</i>

- 1.5 A tender was developed by Kent County Supplies (KCS) Procurement Services, with input from SHBC legal team. The basis of the tender was a Concession Contract, for 7kWh chargers, suitable for overnight charging, with the supplier responsible for the funding of the works, and a revenue share to be returned to the SHBC as landowner.
- 1.6 A concession contract is a type of contract used by a public authority to deliver a service or construct infrastructure. The contract arrangements are between the public authority and an economic operator (the concession holder). The latter provides services or carries out works and is remunerated by being permitted to exploit the work or service. The former receives an income either as ground rent or as a percentage of net profits earned by the operators activities.
- 1.7 In this instance, the supplier will be responsible for all costs including, but not limited to, installation, servicing and maintenance for the duration of the Individual Contract. Revenue share will include any revenue directly or indirectly associated with the EVCP located on SHBC land such as, but not limited to connection charges, charging revenue, over-stay charges and advertising.
- 1.8 Customers using the EV charging facilities will pay for parking (where not exempted by season tickets or residents permits) and pay separately for charging in reserved bays using contactless 'tap and go' systems.
- 1.9 The tender exercise resulted in three expressions of interest. The submissions were reviewed by officers using KCS methodology and the scores were moderated.

¹ See also section 3.4

2. Reasons for Recommendation

- 2.1 Connected Kerb scored most highly in the review both in terms of quality of service and share of revenue. The submission conformed most closely to the specifications, offered the highest revenue share and used a modular, flexible technology that allows for further expansion of charging facilities and the inclusion of rapid chargers at a later date, if required.
- 2.2 A ten year contract was considered a minimum term by the contractor, due to the capital investment and works required for installation (see also risk viii in section 9.2 of this report).
- 2.3 If appointed Connected Kerb will make an application to OZEV for the On-street Residential Chargepoint Scheme (ORCS), for grant funding. The appointment of Connected Kerb is not dependent on securing of OZEV funding. The status of the grant application should be known within three months of the application being submitted. A successful bid for ORCS funding will result in a increased share of revenue for the council.

3. Proposal and Alternative Options

- 3.1 All submissions offered contracts with a minimum duration of 10 years with a preference towards 15-year contracts in order to maximise their investments and improve the revenue share offered to the council. Other bidders for this tender offered less favourable revenue shares, and the technology they proposed was a less effective fit to the tender brief². To this end it is proposed that Connected Kerb are commissioned to install EV charging points at the locations identified in section 1.4 on the contractual basis laid out in this report.
- 3.2 Surrey County Council are currently exploring options for on-street EV charging across the county. Currently their preferred supplier is Connected Kerb. However, this project is at a very early stage of development, although some boroughs, including Woking and Esher could see the installation of trial on-street charging in the next eighteen months, installation across the county is likely to take several years to come to fruition.
- 3.3 From a meeting with Surrey County Council, it has been confirmed that, as the highways authority, the County would retain any income derived from on-street EV charging. The County Council has suggested that if boroughs wish to install chargers on their own land, such as owned and operated car parks, the county would assist them with using the County's preferred contractor, but would charge a management fee for doing so, possibly top-sliced from revenue.
- 3.4 This project will not interfere with SHBC's ability to install on-street EV charging provision in other locations. If Surrey County Council progress their plans for EV parking provision further, SHBC will be able to consider joining

² Other bidders focussed primarily on fast charging infrastructure, despite the tender specification for overnight charging.

any such scheme, using Surrey County Council suppliers, without affecting the project outlined in this report.

- 3.5 The provision of additional EV charging facilities at Surrey Heath House, including fast charging capacity, is the subject of discussion with Connected Kerb. If appointed, the contractors have undertaken to include Surrey Heath House in the list of approved sites.
- 3.6 The focus of this tender exercise was to address residents feedback in relation to the provision of overnight, off-street electric vehicle charging services for current and prospective electric vehicle owners who do not have the ability to charge their vehicles at home.
- 3.7 Work is underway to assess opportunities for electric vehicle charging within the Council's multi-storey car parks. Visitors to the town would benefit from fast charging infrastructure at the multi-storey carparks at Knoll Road and Main Square. The provision of this service at these locations will be the subject of a separate report which will also consider opportunities for renewable energy generation.

4. Contribution to the Council's Five Year Strategy

- 4.1 The implementation of EV charging in the Council's car parks will assist the council with the delivery of the Environment Priority of the five year plan, notably:
 - Work with partners to support initiatives and infrastructure to increase the uptake of walking, cycling and public transport, and low emission vehicles.
 - Deliver actions that encourage and support steps being taken by local people within the community to tackle climate change.
 - Change the Council's entire fleet of vehicles to electric and/or low/zero emission vehicles (where technology allows). Support the use of electric/low/zero emission vehicles across the rest of the borough, for example introducing electric charging
 - points in Council car parks and supporting the installation of on-street charging points.

5. Resource Implications

- 5.1 Although there are no capital expenditure implication associated with this course of action, the installation of EV charging points as part of a 10 or 15 year contract may complicate the disposal or redevelopment of these carparks. Currently there are no plans for change of use for the sites listed in paragraph 1.4 however, Surrey Heath House (see paragraph 3.4) may be subject to disposal within the ten year course of the proposed contract.

6. Section 151 Officer Comments:

- 6.1 The contract should be constructed to allow break clauses to allow the Council to exit if the plans for the locations change. Given the advances in

technology around EV and EV charging, the contract must be flexible enough to prevent the Council being left with obsolete equipment and/or disposal costs; the details around the end of contract must be agreed at the outset.

6.2 The length of contract should not be driven by the financial viability given the low values to the Council and the risk inherent in longer term variations on the contract.

7. Legal and Governance Issues

7.1 The contract will be overseen and approved by legal services.

8. Monitoring Officer Comments:

8.1 Contract award is a key decision and accordingly a delegation from the Executive is required to enable officers to conclude and award the contract.

9. Other Considerations and Impacts

Environment and Climate Change

9.1 This project will deliver against action T6 Surrey Heath’s climate action plan *“Support the rapid shift to electric vehicles by working in partnership with Surrey County Council and electric vehicle charging point providers to investigate the potential to deliver EV charging points installation projects across the Borough.”*

Equalities and Human Rights

9.2 Accessibility assessments are required at the proposed charger locations.

Risk Management

Risk	Assessment	Mitigation	Monitoring and reporting
i. Insolvency of supplier	Bankruptcy leading to cessation of service.	Due diligence is required to ensure that company financials are sound.	SHBC to require the supplier to submit two years of audited accounts before awarding contract
ii. Low utilisation	Profitability for the supplier, and an income stream for SHBC are dependent on the number of users of the EV charging stations	Promotion of the facilities via social media and other channels by SHBC to drive demand.	SHBC and supplier to collect data on usage, and tailor promotion accordingly,
iii. GDPR	The supplier may collect data on users registering for	As users will be commissioning a service directly from	Request GDPR policy from supplier to be kept on file. Review

	accounts for the chargers, through a dedicated app.	the supplier, responsibility for GDPR compliance rests with the supplier.	the potential for a contractual obligation preventing sharing of user data with third party organisations.
iv.	Damage or vandalism at charging stations rendering them inoperable. Closure of car parks for maintenance or other reasons.	Utilisation is dependent on users being able to access the service.	Service level agreements to be included in the contract, detailing the maximum time that a charging point can be out of commission.
v.	Parking Capacity	Revenue is dependent on maximising use of chargers. If chargers are blocked by Internal Combustion Engine (ICE) vehicles, or by EVs remaining in a space for too long, usage will suffer.	Ensure clear signage is in place, warning of penalties for overstaying or improper use of charging bays. Ensure penalties are enforced.
vi.	Profiteering	As SHBC will effectively be granting a monopoly to Connected Kerb for the provision of this service, it is important that users are not subject to questionable pricing practices.	Parking services to monitor usage.
vii.	Commercial risk	A successful bid for ORCS funding will result in a increased share of revenue for the council	Inclusion of a clause in the contract restricting price rises beyond energy costs and RPI inflation.
viii.	Technology Risk	Changing technology rendering existing charging infrastructure obsolete	Parking services to monitor pricing
		SHBC to support the supplier with the grant application	SHBC to monitor ORCS application progress
		As the plant used by connected Kerb is modular, elements can be swapped out and replaced to ensure that it remains utile. It is also worth remembering that according to the	SHBC to monitor EV charging trends

			Society of Motor Manufacturers and Traders (SMMT), the average age of a vehicle in the UK is 8.4 years, making it likely that most of the EVs on the road today will still be in use during the lifetime of the contract.,	
ix.	Increased Energy Costs	Energy costs are projected to increase substantially over the next 12 months	Any increase in electricity costs is reflected in the price that users pay for plugging in and will not affect income for SHBC. 7kWh chargers are considerably cheaper to use than fast chargers and this may result in higher than anticipated usage.	SHBC and KC to monitor usage.
x.	Exiting the contract	At the close of the contract, if a decision is made to discontinue the service, the carparks must be restored to their original state.	A clause will be included in the contract requiring the contractor to remove all plant from the site and to restore the affected parking bays to operational use.	SHBC to enforce clause

Community Engagement

9.3 Site selection and service provision has been designed in the light of public consultation. Once the service is operational the public will be engaged through social media and other channels to enhance demand.

Annexes

Annex A - exempt