



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET 25 JULY 2024</b>
Subject	<b>ON STREET RESIDENTIAL CHARGEPOINT SCHEME (ORCS) BUSINESS CASE</b>
Wards affected	All
Accountable member	Mike McKeown, Cabinet Member for Climate Change and Sustainability Email: <a href="mailto:mike.mckeown@cotswold.gov.uk">mike.mckeown@cotswold.gov.uk</a>
Accountable officer	Claire Locke, Interim Executive Director Email: <a href="mailto:claire.locke@publicagroup.uk">claire.locke@publicagroup.uk</a>
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Summary/Purpose	To consider the business case for each site and consider the benefit of investing in Electric Vehicle Charge Point's (EVCP).
Annexes	Exempt Annex A – Financial summary
Recommendation(s)	That Cabinet resolves to: <ol style="list-style-type: none"><li>1. Agree to allocate £180,000 from the approved capital budget of £383,200 to deliver 24 EVCP charging bays across four district car parks, or,</li><li>2. Agree to allocate £225,000 from the approved capital budget of £383,200 to deliver 30 EVCP charging bays across five district car parks, to include West Street, Tetbury and,</li><li>3. Delegate authority to the Deputy Chief Executive and Section 151 Officer, in consultation with the Deputy Leader and Cabinet Member for Finance allocate any additional funding from the capital budget subject to business case and the ORCS grant conditions for the above sites, up to a maximum of £7500 per charging point.</li><li>4. Delegate authority to the Deputy Chief Executive and Section 151</li></ol>



	<p>Officer, in consultation with the Deputy Leader and Cabinet Member for Finance to allocate funding and proceed with EVCPs at the Brewery car park, subject to ORCs approval for a change in site and allocation of grant funding, a viable business case and appropriate due diligence being carried out to ensure site can be delivered and comply with grant conditions.</p>
Corporate priorities	<ul style="list-style-type: none"><li>• Delivering Good Services</li><li>• Responding to the Climate Emergency</li><li>• Supporting Communities</li></ul>
Key Decision	YES
Exempt	YES – Annex Only
Consultees/ Consultation	<p>Subsequent to the ORCS grant application, a review of the practicalities of deploying EVCPs across the identified car parks was undertaken in consultation with the Parking team and other relevant teams including Finance, Procurement, Property &amp; Assets, Legal, Equality &amp; Climate.</p> <p>External EVCP delivery partner, Connected Kerb, have significantly shaped the options presented in this report using their understanding of EVCP implementation that would complement existing EV infrastructure within Cotswold District.</p>



## **1. EXECUTIVE SUMMARY**

- 1.1** In March 2024, the Council was awarded £191,600 from the government funded On Street Residential Chargepoint Scheme (ORCS). The grant award was to fund 50% of a proposed Capital Project that would deliver 33 dual charging points across 11 district car parks.
- 1.2** The ORCS Grant offer and Capital Project allocation was outlined in the May 2024 Cabinet report. This subsequent report covers the business case for each site, understanding the risks to determine which site would benefit from EVCP investment.
- 1.3** ORCS funding requires delivery by 01 March 2025 with a funding limit of £7,500 per EVCP.
- 1.4** In summary, it is recommended that the Council proceeds with four or five sites, providing four sites with 24 EVCP bays, at a cost not exceeding £180,000 or five sites with 30 EVCP bays at a cost not exceeding £225,000. A sixth alternative site is also being explored.
- 1.5** Council approved the capital budget of £383,200 at their meeting in May 2024.

## **2. BACKGROUND**

- 2.1** Due to the tight deadline in applying for the last round of ORCS funding, a detailed business case could not be written before the grant application was submitted. The application therefore covered a significant number of the larger car parks owned or managed by the Council to achieve a good geographic spread of chargers across the district. The council was not put at financial risk as grant can be returned at any point with no financial penalty.
- 2.2** The May 2024 Cabinet report highlighted that there would be a future report which would provide "...a detailed business case for each site and will make recommendations as to which sites would benefit from EVCPs including whether the full grant award is required should the business case for each car park not demonstrate best value, give rise to an ongoing subsidy from the Council, or where there are other operational or delivery challenges."
- 2.3** The ORCS grant terms and conditions state a cost limit of £7,500 per connection. All funding is at risk of clawback/withdrawal if an EVCP exceeds this limit as its not deemed value for money. All chargers must also be installed and operational by 01 March 2025.
- 2.4** The Council has now carried out due diligence on each site and considered factors that may prohibit or delay the installation of EVCPs. A detailed financial appraisal of costs and projected income has also been completed.
- 2.5** The car park sites that form part of the business case are detailed in the table below.



Site	Location	Standard Spaces	Available Spaces*	Proposed EVCP Bays	EVCP Bays as % of available
West Street	Tetbury	46	22	6	27%
The Chipping	Tetbury	59	59	6	10%
Maugersbury Road	Stow-on-the-Wold	69	64	4	6%
Old Market Way	Moreton-in-Marsh	44	39	4	10%
Waterloo	Cirencester	234	150	10	7%
Sheep Street	Cirencester	102	48	10	21%
Queen Street	Cirencester	16	16	4	25%
Beeches	Cirencester	143	143	6	4%
Abby Grounds	Cirencester	95	55	6	11%
Market Square	Chipping Campden	30	30	4	13%
Old Railway Yard	Tetbury	75	75	6	8%
<b>Total</b>		<b>913</b>	<b>701</b>	<b>66</b>	<b>9%</b>

\* Available spaces being standard spaces /less disabled bays, current EVCP bays and permits

### 3. MAIN POINTS

- 3.1** By investing in the ORCS project, the council is responding to the climate emergency by promoting and supporting the Electric Vehicle (EV) infrastructure and supporting communities by providing charging points to visitors and residents who may not be able to charge at home.
- 3.2** Investing in 66 charging bays, being 9% of available space in the 11 car parks, required a full business case that included all risks to ensure any investment not only met our corporate priorities but ensured value for money and a viable business model. The Council would also need to be satisfied that there were no site constraints preventing the installation and commissioning of the EVCPs by March 2025.
- 3.3** Main risks include:
- Delivery – All charges to be installed and active by 01 March 2025
  - Ownership – If not council owned, does the freeholder require payment
  - Restrictions – Could site restrictions delay works beyond delivery the date
  - Capacity – Do the car parks have capacity to restrict bays for EVCP
  - Demand – Enough demand to make investment viable
  - Future – Other investment or development initiatives
  - Financial – Is the investment viable and does it represent value for money



**3.4** The table below reviews these risks and states if is site is suitable for EVCP investment.

Site	Council Owned	Land Restriction	EV use per day*	Comments	Suitable for EVCP
West Street	Yes	No	0.14	Always full and oversubscribed	Potential
The Chipping	No	No	0.14	Not council owned	No
Maugersbury Road	Yes	No	0.71	Extremely busy in summer	Yes
Old Market Way	Yes	No	0.86	Busy site, 2x EVCP in place	Yes
Waterloo	Yes	Yes	2.00	Scheduled Monument Site	Potential
Sheep Street	Yes	Yes	2.00	Scheduled Monument Site	No
Queen Street	Yes	Yes	0.00	Too small to accommodate EVCP	No
Beeches	Yes	Yes	0.71	Scheduled Monument Site	Potential
Abby Grounds	Yes	Yes	2.14	Scheduled Monument Site	No
Market Square	No	No	0.29	Not council owned	No
Old Railway Yard	No	No	0.14	Not council owned	No

\* Daily EV count from a weekly average

**3.5** By reviewing the table, two sites stand out as suitable candidates for EVCP investment:

- Maugersbury Road
- Old Market Way

Neither site has land or landowner restrictions and both are expected to payback investment and generate a surplus within five years.

**3.6** Another two sites show potential, with further due diligence required:

- Waterloo
- Beeches

These two car parks are scheduled monument sites, which is a risk to delivery. An application must be made to the Secretary of State for Culture, Media and Sport before any works can begin. An application is expected to take eight weeks, although approval could take months. With previous reports from other projects on the sites, delivery within the ORCS timeframe could be achievable.

One further site; West Street is constrained due to its small capacity, high demand and relatively high cost to deliver but would provide the first EVCP infrastructure in Tetbury.

- The car park is oversubscribed car park, always busy with a large number of resident permit holders and based on survey data currently has little EV use. Installing 6



EVCP bays is equivalent to 27% of total Pay and Display capacity, so may generate some negative feedback from customers wishing to park there.

- EVCP bays have to be designated for EV parking only, covered by a Traffic Regulation Order and available 24/7 to comply with grant criteria.
- The cost per EVCP for 6 units is £8,000 so above the £7,500 threshold. The DNO connection for this site is high, so reducing EVCP bays will only increase the average cost well beyond the £7,500 limit.
- This site could be delivered when the cost per EVCP is averaged across all five car park sites but presents a risk if there are unforeseen costs exceed the contingency sum during installation on any of the sites, that the £7,500 threshold is exceeded and all ORCs funding would be at risk of clawback, as set out in the Grant Offer letter terms and conditions.
- The Council cannot finance any additional costs to maintain delivery below £7,500 as the Government's intention is that the chargers provide value for money and therefore all costs must be below the threshold.

**3.7** The following sites are not seen as a viable option and offer too much risk to the council. Where sites are not owned by the Council there is concern that the time required to get legal agreements in place would not enable delivery within the required timeframe.

- The Chipping – The council does not own the freehold and the landowner would require a percentage of the revenue. Initial figures show this impacts viability and the site would not hit payback during the lifecycle of the chargers.
- Sheep Street – A popular and busy car park with a large number of permit holders, even reducing the planned 10 charging bays would have a significant impact on parking in central Cirencester and financial viability as payback is not achievable. The Cirencester masterplan must also be considered along with the scheduled monument status.
- Queen Street – A very small carpark of only 16 spaces, reducing the units would increase the average DNO cost above the £7,500 limit. This is also a scheduled monument site.
- Abbey Grounds – This site is expected to incur additional costs and delays due to the scheduled monument status, pushing delivery past March 2025. It is also a very busy car park, as such, payback for EVCP is not achieved in the lifecycle of the chargers.
- Market Square – The council does not own the freehold and the landowner would require a percentage of the revenue. Initial figures show this impacts viability and the site would not hit payback in the required timeframe.



- Old Railway Yard – Another site not owned by the council, therefore payments to the landowner would impact viability.

As a number of sites are not feasible the Council has approached the ORCs funding administer, the Energy Savings Trust, to request that a further site is considered, which was not part of the original funding bid. The Brewery car park is located in central Cirencester and is one of the Councils largest car parks. If the Energy Savings Trust agree ORCs funding can be reallocated to the Brewery car park, the Council will then need to carry out Due Diligence to check feasibility and do a cost appraisal. Seeking reallocation of funding will add an additional time pressure, so there is a risk this site cannot be delivered within the required grant timeframes.

#### **4. SUMMARY OF INVESTMENT PROPOSAL**

4.1 The table below details those sites suitable for EVCP investment:

Site	Proposed EVCP Bays	Total Cost*	Cost per Connection	Payback	Council Investment (50%)
Maugersbury Road	4	£28,900	£7,225	6 Years	£14,450
Old Market Way	4	£27,900	£6,975	6 Years	£13,950
Total	8	£56,800			£28,400

\*Total cost being Hardware, Installation and DNO Connection

- 4.2 In summary, two dual chargers, creating four charging bays, to be installed in each car park. Creating eight charging bays in total at a total cost of £28,400 to the council. The additional 50% funding will be provided by the ORCS grant.
- 4.3 The total cost for these eight chargers must not exceed £60,000, being £7,500 each. ORCS funding is withdrawn at this stage as the EVCP is not deemed value for money. The total investment for the council cannot exceed £30,000 in total.
- 4.4 Due to previous ground investigation and engagement with scheduled monument sites, the Council believes the two sites below could also be delivered before the 01 March 2025 deadline.



Site	Proposed EVCP Bays	Total Cost*	Cost per Connection	Payback	Council Investment
Waterloo	10	£44,700	£4,470	6 Years	£22,350
Beeches	6	£34,100	£5,683	6 Years	£17,050
<b>Total</b>	<b>16</b>	<b>£78,800</b>			<b>£39,400</b>

**4.5** These two sites will provide 16 charging bays at a cost of £39,400 for the council, an average of £2,500 each. The total budget must not exceed £120,000, being £7,500 each.

**4.6** The total investment for the council cannot exceed £60,000 in total.

**4.7** If Cabinet decide to include West Street Tetbury, the following costs apply:

Site	Proposed EVCP Bays	Total Cost*	Cost per Connection	Payback	Council Investment
West Street	6	£448,000	£8,000	13 years	£24,000

**4.8** In summary, it is recommended to proceed with five sites, to deliver 30 EVCP charging bays with a budget not exceeding £225,000. 50% funded by the ORCS grant and 50% matched funding from the Council.

**4.9** A budget of £225,000 is requested to allow for a contingency of £41,400 (22%) on top of the expected £183,600 cost.

**4.10** The full financial summary can be found in Annex A.

## **5. ALTERNATIVE OPTIONS**

**5.1** Do not proceed with the installation of EVCPs part-funded by ORCS.

This option is not preferred since EVCPs are vital to the take-up of EVs. The economics of making charging infrastructure affordable but profitable in rural areas is challenging and so the public sector is needed to lead initiatives to establish a network that enables EV uptake for all. This project represents the last opportunity to receive government subsidy under the ORCS scheme since it is in its final phase.

**5.2** Proceed with installation of all 66 charge points part funded by ORCS.

This option is not preferred for the reasons set out in the main body of the report. It is recommended the Council proceeds with the installation of 30 charge points since installing EVCPs in car parks the Council does not own or within the timescales ORCS have stipulated, is not possible.





## **6. CONCLUSIONS**

- 6.1** EVCPs are vital to the take-up of EVs. The economics of making charging infrastructure affordable but profitable in rural areas is challenging and so the public sector is needed to lead initiatives to establish a network that enables EV uptake for all.
- 6.2** A review of the practicalities of deploying EVCPs across the identified car parks found that installing EVCPs in car parks the Council does not own, within the timescales OZEV have stipulated, is not possible. Legal agreements would need to be put in place with landowners which would add a considerable time pressure to delivery. The review also identified that from the five scheduled monument sites, only two could potentially be delivered within the timeframe, due to previous ground investigation work for separate projects.
- 6.3** It is recommended the Council proceeds with implementation of EVCPs part-funded by ORCS in Mangersbury Road, Old Market Way, Waterloo and Beeches car parks. This will provide 12 dual chargers, being 24 EVCP bays. The Council could also proceed with installation of EVCPs in West Street, Tetbury if it chooses to accept the risks set out in this report.
- 6.4** Delegated authority is sought to enable the Brewery car park Cirencester to be included if it is feasible.

## **7. FINANCIAL IMPLICATIONS**

- 7.1** Council approved the inclusion of the scheme in the capital programme at their meeting in May 2024. Subject to the grant conditions set out in the offer letter, the Council is providing equal matched funding of up to £181,300 alongside the ORCS grant award. The report also set out the requirement to ensure sites taken forward could be delivered within the grant award timescale and did not require an ongoing subsidy from the Council.
- 7.2** The total estimated cost of installation for the five sites is £183,538, with a contingency sum included the maximum funding permitted, subject to a delegated decision as set out in the recommendations is £7500 per charger which totals £225,000.
- 7.3** This report has set out the constraints around utilisation of the grant and there is a significant financial risk to the Council that should costs increase or individual installations be subject to delay the ORCS Grant would be clawed back in part or in full, as set out in the grant terms and conditions. This may require the Council to fund 100% of the installation costs for which there is no provision in the approved capital programme.
- 7.4** Assessment of demand for EVCPs in each location has formed part of the decision-making process. If demand is too low or installation costs are too high the Council will not recoup its capital investment and ongoing revenue costs in providing these charging services.



Whilst costs will be recovered through fees for car charging, these fees need to remain at a level that is attractive to motorists, or usage will be low.

- 7.5** Members will be kept apprised of the financial performance of the project through the quarterly financial performance reports to Cabinet including outlining options to mitigate any financial risk. The financial appraisal does not take into account any impact on car park fee income arising from a reduction in the number of available pay and display spaces. Given the lack of available data to support a detailed assessment and adverse impact on Car Park income at each site will be identified through the quarterly financial performance reports to Cabinet.

## **8. LEGAL IMPLICATIONS**

- 8.1** In accepting the ORCS funding the Council is bound by the terms of the grant agreement. Constraints such as delivery timeline and cost limits for each EVCP which are set out in the grant agreement, have influenced the recommendations in this report.
- 8.2** The recommendations include installation of EVCPs in carparks wholly owned by the Council. As Freeholder the Council can take the decision to install EVCPs subject to any permissions and permitting required from the Highways authority etc. Planning permission is not required.

## **9. RISK ASSESSMENT**

- 9.1** Time and budget risks are highlighted throughout the paper as they are key to delivering under the ORCS project and the ability to claim grant. Seeking to deliver EVCPs across a larger number of sites which have identified challenges may impact the viability of the whole project. It is therefore recommended resources are focussed on delivery across four Council owned sites which are likely to attract high levels of charging demand.
- 9.2** Estimated usage of the EVCP is also a risk. The Council does not have years of market data to analysis to ensure forecasts are accurate, this could have a positive or negative impact on viability and payback.
- 9.3** While it is important to invest in the EV framework to make the update of EV more appealing and affordable, cost per KWH would need to see a significant reduction to attract more people to EV's. Current costs per mile are equivalent to fossil fuels unless charging at home. Combined with the high cost of an EV car, the switch remains unaffordable for many.



- 9.4** There remains a risk that approval isn't granted for the work in the Scheduled Ancient Monument sites or gaining permission delays delivery to such an extent that the EVCP installation cannot be completed within the grant deadlines.
- 9.5** Including West Street, Tetbury in the planned EVCP installations presents a financial risk due to the high DNO connection cost which increases the cost per EVCP to £8,000 which is above the grant threshold. Without West Street the average cost per EVCP across the four sites is £6,088. With West Street included it brings the average cost to £6,470. If the average cost per charger were to exceed £7,500 all grant funding would need to be repaid.
- 9.6** There is also a risk that motorists who park in West Street are unhappy with the installation of EVCPs. In a 46 bay car park, 22 are allocated to permit holders and 2 bays are for disabled motorists. Therefore 6 EV charging bays will be 27% of the remaining 22 pay and display spaces. This will limit parking availability for standard cars.

## **10. EQUALITIES IMPACT**

- 10.1** The investment in EVCP aims to provide more charging facilities, making EV use more accessible to people that may not have the ability to charge at home.

## **11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 11.1** This project has positive implications for the climate and ecological emergency - it will facilitate a decrease in greenhouse gas emissions from transport. As the national grid decarbonises to net zero by 2035, the greenhouse gas emission savings from this project will increase, until eventually in 2035 when savings will be maximised and renewable energy will exclusively power EVCPs.
- 11.2** The project will positively impact on air pollution by incentivising the uptake of EV vehicles.
- 11.3** EVCPs are installed in car parks and therefore have a negligible impact on land use, wildlife and habitats. They do not contribute to light, noise pollution or water pollution. Trees, grasslands, or hedges will not be removed or added.
- 11.4** Any potential impact on trees from the installation of underground assets needs to be considered. The supplier should mitigate this by following the appropriate guidelines

## **12. BACKGROUND PAPERS**

None

(END)