

CAPITAL INVESTMENT BUSINESS CASE

On-street Electric Vehicle Charging – OLEV Grant



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

The Office for Low Emission Vehicles (OLEV) on-street charging grant is aimed at Local Authorities to help part fund (75% up to £6,500 per chargepoint) the installation of on-street Electric Vehicle (EV) chargepoints specifically aimed at residents.

Plymouth City Council have been successful in a £300k bid to OLEV with the £225k grant matched by providing match funding through the TCF Tranche 2 mobility hubs project. This project aims to deliver up to 50 EV chargepoints (charging sockets) in residential neighbourhoods in Plymouth. It also assists with a green recovery post Covid 19. The anticipated start date is October 10th 2020 with installation starting in March 2021 with a completion date in summer 2021.

Objectives

- To meet a commitment to deliver on-street Electric Vehicle (EV) charging – Pledge 15.
- To become a carbon neutral city by 2030 as stated in the climate emergency declaration.
- To provide an EV charging infrastructure network for residents use, especially for those with no access to off-street parking.

Outcomes and Benefits

Delivering this project will work towards PCC's ambition for Plymouth to become carbon neutral by 2030 and provide significant investment to help the local economy as part of the Covid 19 recovery.

Financing

All money for infrastructure, installation and staff time is covered by the OLEV on-street charging grant, TCF 2 mobility hubs and staff time covered through Innovate UK. Operations and maintenance will be covered through the procurement process.

Key risks

The key risks are if EVs fail to take off the charge points will not be utilised. This seems unlikely in the medium to long term due to current policies encouraging the reduction of carbon from transport. Due to the grant deadline there is a risk of non-delivery by March 31st 2021. Through the Innovate UK project we believe we have identified many of the major pitfalls and time constraints so can mitigate accordingly.

This project aims to minimise street clutter but if all charge points are up some may consider that they create obstruction. This is easily mitigated through careful site selection.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£0.315m (75% OLEV on-street charging grant, 25% TCF 2 mobility hubs)	Contingency (show as £ and % of project value)	£15,000 / 5%
Programme	Low Carbon	Directorate	Place
Portfolio Holder	Cllr Mark Coker, Strategic Planning and Infrastructure	Service Director	Paul Barnard (Strategic Planning & Infrastructure)

Senior Responsible Officer (client)	Kat Deeney	Project Manager	Dan Turner
Address and Post Code	Various	Ward	Citywide / Various
Current Situation: <i>(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)</i>			
<p>Transport accounts for 28% of Plymouth's carbon emissions. With Plymouth City Council declaring a climate emergency in March 2019, pledging to be carbon neutral by 2030, there is a clear and urgent need to decarbonise transport. The need has been identified in the JLP, the soon to be adopted SPD and in the CEAP. One way to reduce the carbon emissions from transport is for the Council to assist the transition towards the electrification of transport, namely through the provision of electric vehicle (EV) infrastructure.</p> <p>EV infrastructure is currently limited in Plymouth and there is a need for the Council to help fill this void to help people transition to EVs. While some people have private driveways and can benefit from the Office for Low Emission Vehicles (OLEV) home charging grant to supply their own EV charger, approximately 40% of Plymouth households do not have access to off street parking. This can make the decision to move to an EV more difficult due to a lack of access to charging infrastructure. This business case aims to provide charging infrastructure for those who do not have access to off-street parking, through the utilisation of the OLEV on-street charging grant.</p>			
Proposal: <i>(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)</i>			
<p>The project will utilise the OLEV on-street charging grant to deliver up to 50 electric vehicle chargepoints aimed at residents who do not have access to off-street parking. The project will fund the grid connection, chargepoint unit and their management. The project will provide crucial EV charging infrastructure to assist in residents' transition to lower carbon forms of transport, which in turn helps the Council achieve their climate emergency targets.</p> <p>The project will be broken down into distinct phases: site selection and surveys; procurement; civils work and installation; operation.</p> <p>Sites: As part of the project, the Low Carbon Team will identify suitable sites, firstly through a desktop survey and secondly on site surveys. After the desk top survey a long list of sites will be agreed with the relevant members of the Council with input for the required teams.</p> <p>Business Case Total cost for installing all infrastructure: £300,000 (+£15,000 contingency) Running cost – The O&M costs will all be covered by the charge point provider as part of a concession style agreement. PCC will own the grid connection and the chargepoint through the grant project but as part of the procurement exercise we will select a chargepoint provider who will also manage the maintenance of the chargepoints.</p> <p>While this is a grant funded project it will provide a small income (depending on utilisation rate) for PCC. Firstly, it will allow the purchase of grid connections which can be seen a strategic long-term asset. Secondly, through a concession style agreement PCC can earn revenue through the sale of charging. If the utilisation rate of the EV chargepoints is considered to be 15% and PCC set the energy cost at 24p per kWh then the cost of the chargepoint (if it were not grant funded) would be covered in 4-5 years. The lifetime of the asset is 10 years (grid connection is a lifetime asset).</p> <p>Procurement, project management and legal costs have been considered and can be provided using the Innovate UK pop-up charging project.</p> <p>Financing: The project is subject to a successful OLEV bid. The OLEV on-street charging grant funds 75% of the chargepoint installation and unit costs. It is proposed that the 25% match funding is provided</p>			

through the TCF 2 mobility hubs project. Funding for staff time can be utilised through the Innovate UK pop up chargepoints project, which has done a significant amount of the groundwork in terms of process and site selection.

Operations and Maintenance:

Through the procurement process we will select a chargepoint provider, installer and operator. Through a concession style agreement they will undertake the maintenance of the chargepoint in exchange for a percentage of the revenue.

Procurement

Following conversations with procurement it is proposed that PCC utilise the new CCS dynamic procurement system (DPS). The DPS already has a significant number of suitable chargepoint providers and through using a DPS there is greater flexibility for the Council to outline their needs in comparison with a traditional procurement framework. This flexibility could allow for stating greater social value from the project, a companies environmental impact and even a need for community benefits.

Economic Recovery post Covid 19

The on-street charging project represents a significant opportunity for PCC's economic recovery plan. Due to the grant funding rules the project must be delivered in to 20/21 financial year, it enables a green recovery and provides long-term strategic infrastructure. As such it has both short and long term economic benefits.

Local Suppliers

There are limited chargepoint providers locally of the scale required for this project. There is however, the opportunity to undertake the civil works using local providers such as SWH. We can use the procurement process to break down the project and maximise the opportunity for local providers and/or national providers providing local work for local people.

Communications

Upon the business case being passed the communications team will release a statement about the grant award and how it will benefit Plymouth. We will utilise the engagement and budget from the Innovate UK pop-up chargepoints to engage with the public on EV charging through online (under current circumstances) surveys and to provide updates at key milestones in the project. Through the procurement process we will add a requirement that when works are being undertaken information on the project must be displayed so the public can see that the Council is actively installing chargepoints as per their manifesto promise. This can include site hoardings/signage as requested.

Importantly we will ensure the EV infrastructure projects provide a consistent and positive message highlighting the number of projects that the Council are now undertaking in this area.

Why is this your preferred option:

Delivering this project will work towards PCC's ambition for Plymouth to become carbon neutral by 2030 and provide significant investment to help the local economy as part of the Covid 19 recovery.

The project will reduce carbon emissions from transport (28% of all emissions) and help PCC provide more EV charging infrastructure in the city.

The project will also demonstrate PCC as an organisation keen to encourage innovation in the city which will encourage businesses and future investment.

No capital, revenue or ongoing costs to PCC and increasing revenue as utilisation increases.

Option Analysis: *(Provide an analysis of 'other' options which were considered and discounted, the options considered must be a 'do Nothing' and 'do minimum' and 'viable alternative' options. A SWOT – Strength, Benefit, Opportunity, Threat analysis could be attached as an appendix).*

Do Nothing Option

List Benefits: None

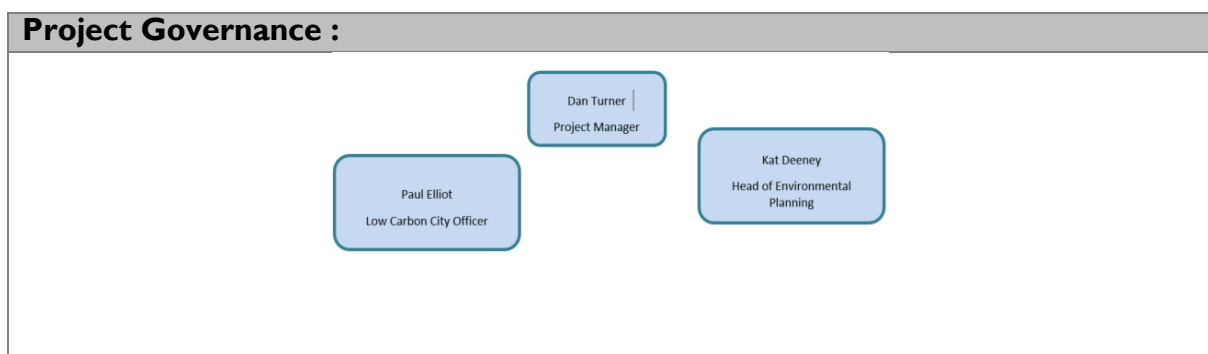
List Risk / Issues: PCC fails to reduce its carbon emissions, fail to secure significant grant and are unable to deliver EV charging infrastructure.

Cost: £0

Why did you discount this option	Will hinder PCC's carbon reduction objectives as stated in the climate emergency declaration and CEAP. Hinders the move toward low carbon transport and ability to deliver pledge 15, which promises to increase on-street EV charging.
Viable Alternative Option	PCC Service Borrowing
List Benefits:	Enables PCC to fund all installation of EV chargepoints and start to create a new revenue stream.
List Risk / Issues:	Borrowing costs Low uptake
Cost:	£338,000 inclusive of borrowing costs over 10 years
Why did you discount this option	It is more costly due to costs associated with borrowing and due to EVs being in their infancy and uptake still relatively low.

Strategic Case:	
Which Corporate Plan priorities does this project deliver?	a green sustainable city that cares about the environment a clean and tidy city reduced health inequalities
Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references)	This project helps to deliver: SO12 – Delivers the infrastructure required to deliver low carbon transport, future proofing development goals and encouraging private investment. SPT1 – minimise pollution in neighbourhoods through sustainable development. SPT9 – Strategic principles for transport planning and strategy DEV29 – specific provisions relating to transport DEV32 – delivering low carbon development

Project Scope	
In Scope	Out of Scope
<ul style="list-style-type: none"> - Feasibility study of technology - completed - Survey of EV charging installations - Grid connection applications - Installation of EV chargers including cost of equipment - Risk assessment - TROs, line marking, parking technology - O+M costs throughout the project (will be ensured through procurement) - Staff time (through Innovate UK pop-up charging project) 	<ul style="list-style-type: none"> - Costs to reinforce the grid (if required) - External legal advice (if required) - Ground penetrating radar to identify utility obstacles. (if required)



Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date

20/12/2020	10/02/2021	31/06/2021	
Who are the key customers and Stakeholders	Plymouth residents without access to off street parking. EV users. PCC	Which Partners are you working with	Energy Saving Trust (administer the fund on behalf of OLEV), installer and chargepoint operator to be identified via procurement.

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	Under utilisation of charge points.	Medium	Low	Medium
Mitigation	Careful site selection where utilisation will be highest combined with suitable marketing and awareness.	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	0%	Risk Owner	Alistair Macpherson	
Risk	Expensive grid connection offer from Western Power	Low	High	High
Mitigation	Select alternative site with more reasonable costs	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	0%	Risk Owner	Alistair Macpherson	
Risk	Street clutter	Low	Medium	Medium
Mitigation	Careful site selection.	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	0%	Risk Owner	Alistair Macpherson	
Risk	New technologies – no uptake of EVs	Medium	High	High
Mitigation	Government policy suggests EVs will be a viable low carbon vehicle however they will compete with hydrogen fuel cell technology. PCC can prepare for both but sensible location of chargers can encourage EV use.	Low	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	0%	Risk Owner	Alistair Macpherson	

Outcomes and Benefits

Financial outcomes and benefits:	Non-financial outcomes and benefits:
While this is a grant funded project it does have income potential for PCC. Firstly, it will allow the purchase of grid connections which can be seen a strategic long-term asset. Secondly, through a concession style agreement PCC can earn revenue through the sale of charging. If the utilisation rate of the EV chargepoints is considered to be 15% and PCC set the energy cost at 24p per kWh then the cost of the chargepoint (if it were not grant funded) would be covered in 4-5 years.	Delivering this project will work towards PCC's ambition for Plymouth to become carbon neutral by 2030 and provide significant investment to help the local economy as part of the Covid 19 recovery The project will reduce carbon emissions from transport (28% of all emissions) and help PCC provide more EV charging infrastructure in the city. The project will also demonstrate PCC as an organisation keen to encourage innovation in the

<p>The lifetime of the asset is 10 years (grid connection is a lifetime asset). Through the agreement structure and procurement PCC will appoint a chargepoint operator who will look after the operations and maintenance of the chargepoints for a percentage of the revenue. This will mean no ongoing costs to PCC.</p>	<p>city which will encourage businesses and future investment.</p>
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SECTION 3: CONSULTATION

<p>Have you engaged with Planning Department. <i>(If no, please state the reason)</i></p>		<p>Yes/No</p>
<p>If yes, summarise the planning requirements. <i>(If PP is required ensure you engage with planning prior to seeking approval of this Business Case)</i></p>	<p>Site selection is part of the project and planners will be consulted on specific sites as they come forward. It is not anticipate that planning will be required as currently EV chargepoints under 1.6m do not require planning, unless in a protected area or connected to a listed building (neither of which should apply to this project). The OLEV on-street charging grant works on an annual basis and any grant approvals this financial year must be installed and commissioned by March 31st 2021.</p>	
<p>Is the budget cost reflective of planning requirements</p>	<p>Yes</p>	
<p>Who is the Planning Officer you consulted with.</p>	<p>Various – depending on specific site</p>	
<p>Planning Consent Date</p>	<p>n/a</p>	

Low Carbon

<p>What is the anticipated impact of the proposal on carbon emissions</p>	<p>The project will reduce carbon emissions from transport (28% of all emissions) Once the charge points have been installed we will record the utilisation of the charge points using data from the app. This will provide details on how many vehicles have used the charge point, energy consumed and number of members. Using this we can also calculate the carbon emission reduction.</p>	
<p>How does it contribute to the Council becoming Carbon neutral by 2030</p>	<p>Delivery of the project will increase the amount of low carbon transport infrastructure in Plymouth. It will encourage uptake of EVs which produce zero tailpipe emissions and will therefore reduce carbon emissions and improve air quality in the city. EVs are seen a key technology in reducing carbon emissions and the installation of charging infrastructure encourages the transition to low carbon transport. Each petrol/diesel car emits on average 2.3 -2.9 tonnes of carbon annually.</p>	

<p>Have you engaged with Procurement Service.</p>		<p>Yes</p>
<p>Procurement route options considered for goods, services or works</p>	<p>Following PCC's experience on another on-street charging project through Innovate UK the Low Carbon Team has worked with procurement to identify two suitable procurement Frameworks. These are CCS and ESPO, both of which meet the needs of procurement, the project and have a suitable range of suppliers. A procurement request has been submitted through DASH.</p>	
<p>Procurements Recommended route.</p>	<p>Following conversations with procurement it is proposed that PCC utilise the new CCS dynamic procurement system (DPS). The DPS already has a significant number of suitable chargepoint providers and through using a DPS there is greater flexibility for</p>	

	the Council to outline their needs in comparison with a traditional procurement framework. This flexibility could allow for stating greater social value from the project, a companies environmental impact and even a need for community benefits.
Who is your Procurement Lead.	Paul Williams

Which Members have you engaged with and how have they been consulted	Cllr Mark Coker was consulted about the project in a meeting with Paul Barnard (Service Director for SP&I).
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Equalities Impact Assessment completed <i>(This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)</i>	Yes
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SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT : *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.*

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Future Yrs. £m	Total £m
75% OLEV on-street		0.300						0.300
Contingency		0.015						0.015
Total capital spend		0.315						0.315

Provide details of proposed funding: *Funding to match with Project Value*

Breakdown of proposed funding	Prev. Yr. £m	20/21 £'000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	Future Yrs. £000	Total £000
75% OLEV on-street charging grant		225,000						225,000
25% TCF 2 mobility hubs (within capital programme)		90,000						90,000
Total funding		315,000						315,000

Are there any bidding constraints and/or any restrictions or conditions attached to your funding	OLEV on-street charging grant - https://energysavingtrust.org.uk/transport/local-authorities/street-residential-chargepoint-scheme 75% funded through OLEV on-street charging grant, 25% through TCF 2 mobility hubs. Staff time covered through Innovate UK pop-up charging project.
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	Chargepoints must be installed and commissioned by 31st March 2021. Publically applications are accepted for up to £100k, however they have awarded £300k previously and this is assessed on a case by case basis.
Tax and VAT implications	The Council will not be receiving any significant amounts of income directly in connection with the project. The provision of infrastructure relating to transport initiatives is a statutory function of the Council and so VAT will be fully recoverable on the cost of the project and there will be no adverse impact on the Council's partial exemption position.
Tax and VAT reviewed by	Sarah Scott

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	£0
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	Y

Has the revenue cost been budgeted for or would this make a revenue pressure	Through procurement and the structure of the agreement there will be no ongoing costs to PCC. The chargepoint operator will undertake the operations and maintenance of the chargepoint for a cut of the revenue. There is potentially a small amount of revenue generated by PCC if utilisation exceeds 15%. This is likely to be very low as electric vehicles are in their infancy in Plymouth at this stage.
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Version Control: *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
Dan Turner	03/07/2020	v 1.0	J Edmonds	10/07/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates up to £315,000 for the project into the Capital Programme, £225,000 funded by OLEV on-street charging grant subject to a successful OLEV bid and £90,000 from TCF2 - Mobility Hubs
- Authorises the procurement process
- Delegates the award of the contract to Service Director for Strategic Planning & Infrastructure

Cllr Mark Coker, Strategic Planning and Infrastructure		Paul Barnard, Service Director SP&I	
Either email dated:	<i>date:</i> 18/12/20	Either email dated:	<i>date:</i> 16/12/20
Or signed: -		Signed: -	
Date: -		Date: -	