

BUSINESS CASE*Flush Fitting EV Infrastructure Implementation***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.

Following a successful trial of flush fitting Electric Vehicle (EV) chargers in Plymouth City Centre we have an opportunity to use the infrastructure that was installed. Under normal circumstances the installation of such charge points, which require grid connectivity, would not be commercially viable and a charge point operator (CPO) would require a public subsidy before they would consider installing them. However, as we have the existing grid connections in place the decommissioned sites can be re-used and CPOs are interested without any public contribution.

The project would utilise 50 of the decommissioned units to install flush fitting chargers. There are 4 decommissioned units which are not on council land and would be excluded from this project.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£ 2,700,000 (estimated revenue for CPO)	Contingency (show as £ and % of project value)	N/A
Programme	Transport	Directorate	Growth
Portfolio Holder	Cllr Mark Coker, Strategic Planning and Infrastructure	Service Director	Paul Barnard (Strategic Planning & Infrastructure)
Senior Responsible Officer (client)	Jonathan Bell	Project Manager	John Green
Address and Post Code		Ward	Citywide

Current Situation: *(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)*

The EV uptake in Plymouth has been slower than the UK average, with electrification of only 1.3% of our 130,000 registered cars and vans as of 2022 compared to over 3% across the UK. Affordability and insufficient financial incentives, along with perceived range anxiety have been some of the key barriers to EV uptake in Plymouth.

Enforcement of the Zero Emission Vehicle (ZEV) Mandate from 2024 will fuel EV uptake in Plymouth and across the UK. We forecast penetration of electric cars and vans within Plymouth's registered vehicles is expected to be about 6% in 2027, rapidly expand to almost 50% by 2034 (60,000 EVs) and approach 100% by 2050.

There is a clear business need to provide EV charging infrastructure in the city to ensure residents, workers and visitors to the city have ample provision for charging their EVs and that a lack of EV charging facilities are not seen as a barrier to transitioning to EVs. The existing decommissioned infrastructure gives PCC a unique opportunity to increase the amount of EV charging without requiring any public funds. This will compliment the Local Electric Vehicle Infrastructure (LEVI) project which will see a wider rollout of EV charging across the city. Both projects will target residents without access to off-street parking, with slower charging rates that offer a cheaper tariff. Whilst the LEVI project will reach a larger geographical spread and install a greater number of charger points it does require public subsidy. This project will enable the overall strategy to be more ambitious by increasing the number of chargers without further public funds.

Proposal: *(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?)*

This project will be critical in realising the city's Electric Vehicle Charging Infrastructure Strategy (EVCIS) Vision to: 'Facilitate a smooth transition to electric and low carbon forms of transport by ensuring long term investment into the development and provision of public EV charging infrastructure that is both commercially viable as well as spatially equitable, accessible, reliable and affordable for people who live, work and visit Plymouth'. The project will also support the delivery of the following Local Transport Plan policies as incorporated into the city's Joint Local Plan (see <https://www.plymouth.gov.uk/sites/default/files/JLPAadoptedVersion.pdf>) as developed with neighbouring councils and Plymouth Plan (see <https://www.plymouth.gov.uk/approved-plymouth-plan>):

- Theme 2: A Green City (sub-section 5): A transport system is provided that responds to emerging technological changes for electric and low carbon forms of transport.
- Policy HEA6: Delivering a safe, efficient, accessible, sustainable and health-enabling transport system (sub-section 7): Investing in and promoting the growth of an electric vehicle charging network encouraging electric vehicle take-up and use.
- Strategic Objective 2: Delivering a growing city (sub-section 8): Delivering a sustainable transport network that supports Plymouth's long-term growth while at the same time addressing existing carbon emissions.
- Policy INT6: Enhancing Plymouth's 'green city' credentials (sub-section 3): Reducing transport related carbon emissions by offering an efficient, accessible and attractive choice of sustainable travel options for all sectors of the community, visitors, businesses and commuters.

PCC will continue to liaise with Devon County Council and other neighbouring local authorities on its plans for EV charge points.

The Charge Point operator awarded the contract will be given a 15 year lease with a possibility of a 1 year extension. As they install their charge points they will remain under the ownership of the charge point operators. At the end of the contract PCC will have the option to either take ownership of these assets (at nil cost to PCC) or to instruct the charge point operator to remove them and make good the pavement. The local connection assets will be owned by the District Network Operator (DNO), but the responsibility for maintaining them will lie with the Charge Point Operator. At the end of the contract the MPAN along with any grid connection agreement with the DNO will revert to PCC.

Without this scheme the existing decommissioned infrastructure would not be utilised. The trial scheme used public funds with the objective of creating assets for the city that could be used for years to come. Whilst there were lessons learned from the trial scheme, much of the investment that was made will become redundant and will result in a waste of public funds.

Why is this your preferred option: *(Provide a brief explanation why this option is preferred) and (Explain why this is a good capital investment and how this would be an advantage for the Council) and (explain how the preferred option is the right balance between the risks and benefits identified below).*

The only other option would be not to do anything. As explained above, this would be a waste of public funds and existing assets would not get utilised. Furthermore, it would hinder PCC’s net zero ambitions by failing to sufficiently increase affordable EV charging infrastructure for residents.

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	Do not apply for the fund and do not rollout additional EV charging infrastructure.
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List Benefits:	Net Zero delivery team can focus on other deliverables.
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List Risk / Issues:	Short term: With a lack of EV charging infrastructure in the city motorists will be unhappy as they start queuing or driving elsewhere to charge their EVs. Some people will also be deterred from getting an EV and Plymouth will fall even further behind the rest of the UK in terms of EV uptake. Long term: The business need for more EV infrastructure will become overwhelming and PCC will need to try and find the funds from elsewhere as the LEVI grant will no longer be available. This could put serious downward pressure on PCC finances.
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Cost:	N/A
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Why did you discount this option	This will hinder the 2030 net zero ambition and likely put huge financial pressure on the council in future.
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Do Minimum Option	
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List Benefits:	
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List Risk / Issues:	
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Cost:	
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Why did you discount this option	
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Viable Alternative Option	
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List Benefits:	
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List Risk / Issues:	
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Cost:	
Why did you discount this option	

Strategic Case:	
Which Corporate Plan priorities does this project deliver?	a green sustainable city that cares about the environment
	an efficient transport network
	a green sustainable city that cares about the environment

Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
January 2025	March 2025	Dec 2028

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS					
Risk Register: <i>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).</i>					
Potential Risks Identified			Likelihood	Impact	Overall Rating
Risk	Time consuming procurement and approvals processes.		High	Low	Medium
Mitigation	Working closely with Procurement and Legal teams to overcome issues.		Medium	Low	Low
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner			
Risk	CPO failure to deliver, or goes out of business.		Low	Medium	Medium
Mitigation	The procurement assessment will take into account the financial standing of the operators and the contracts with these operators will help to mitigate this risk.		Low	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner			
Risk	Technology becoming outdated.		Low	Low	Low
Mitigation	This risk is left with the operators, who have the most up-to-date knowledge of the market. Local charging asset ownership remains with the operators, incentivising them to keep them updated.		Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner			
Risk			Select value	Select value	Select value
Mitigation			Select value	Select value	Select value

Calculated risk value in £ (Extent of financial risk)	£	Risk Owner	
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Outcomes and Benefits

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:

Non-financial outcomes and benefits:

There is no cost to PCC other than internal staff time. The management of this project will require a fraction of one person's time (~ 0.2 FTE for a year).

The CPO will be required to pay PCC a share of revenue. Estimates of PCC income to be determined in conjunction with the CPO once appointed.

Overall the project should have a small but positive effect on PCC finances.

The EV infrastructure implemented by the project will provide a valuable service to residents and ensure those who do not have access to off-street parking are not disadvantaged as the nation transitions to EVs.

As this helps to transition to cleaner energy this will reduce the amount of carbon produced in the city and contribute towards our net zero ambitions.

With less petrol and diesel cars on the road air pollution will be reduced and people will breathe cleaner air, promoting health and wellbeing.

SECTION 3: CONSULTATION

Does this business case need to go to CMT	No	Date business case approved by CMT (if required)	
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Climate Impact Assessment

Upload Climate Impact Wheel	This is attached as an appendix to the decision.
Summary of the anticipated impact of the proposal on the climate (including any proposed mitigations and impacts beyond 2030)	The driver for this project is to reduce city emissions. It will have a very positive impact for the environment, aiding the transition from petrol and diesel to electric vehicles. Carbon emissions will be reduced and air quality improved.

Have you engaged with Procurement Service?	Yes
Procurement route options considered for goods, services or works	Subject to an authorised Exemption request, to waive the requirement within the Contract Standing Orders to undertake a competitive tender exercise and instead undertake a Single Tender Action directly with the Economic Operator of who own the existing infrastructure and grid connections in situ at the existing 50 sites.

Procurements Recommended route.	Single Tender Action	
Who is your Procurement Lead?	Paul Williams – Category Lead for Transport, Waste & Environment	
Is this business case a purchase of a commercial property?	No	
If yes then provide evidence to show that it is not 'primarily for yield'		

Which Members have you engaged with and how have they been consulted <i>(including the Leader, Portfolio Holders and Ward Members)</i>	Councillor Mark Coker (Cabinet Member for Strategic Planning and Transport)
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Confirm you have taken necessary Legal advice, is this proposal State Aid compliant, if yes please explain why.	Yes.
Who is your Legal advisor you have consulted with?	Karen Trickey

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. Exact amounts only throughout the paper - not to be rounded.*

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Future Yrs. £000	Total £000
No capital costs		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
Total capital spend		0	0	0	0	0	0	0

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

Breakdown of proposed funding	Prev. Yr. £000	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Future Yrs. £000	Total £000
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	£000						£000	
No funding needed								
Total funding								

S106 or CIL <i>(Provide Planning App or site numbers)</i>	
Which alternative external funding sources been explored	There is no funding required, internal or external, for this business case.
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	
Tax and VAT implications	<p>The income received by the Council, based on a proportion of the Charge Point Operator's ("CPO") income, will be subject to VAT at the 20% standard-rate. VAT invoices should be raised promptly, as set out in the agreement with the CPO, so that VAT is accounted for at the correct time, and income reflected in the accounts.</p> <p>Since the CPO will be funding the capital costs, the Council will not incur any VAT on costs. Any VAT incurred on subsequent revenue costs, when the project become operational, will be fully recoverable and there will be no adverse impact on the Council's partial exemption position.</p>
Tax and VAT reviewed by	Sarah Scott
Will this project deliver capital receipts? <i>(If so please provide details)</i>	

REVENUE COSTS AND IMPLICATIONS

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

Total Cost of developing the project	£0k
Revenue cost code for the development costs	
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/N
Budget Managers Name	

Ongoing Revenue Implications for Service Area							
	Prev. Yr.	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs.
Service area revenue cost							
Other (eg: maintenance, utilities, etc)							
Loan repayment (terms agreed with Treasury Management)							
Total Revenue Cost (A)							
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)							
Total Revenue Income (B)							
Service area net (benefit) cost (B-A)							
Has the revenue cost been budgeted for or would this make a revenue pressure							
Which cost centre would the revenue pressure be shown					Has this been reviewed by the budget manager	Y/N	
Name of budget manager							
Loan value	£	Interest Rate	%	Term Years	Annual Repayment	£	
Revenue code for annual repayments							
Service area or corporate borrowing							
Revenue implications reviewed by	Emma White						

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
Iain Miller	19/06/2024	Draft	John Green	20/06/2024
Iain Miller	24/06/2024	VI.0	Finance, Procurement, Legal	10/07/2024
Iain Miller	08/08/2024	VI.1	Paul Barnard, Mark Coker	30/08/2024
Iain Miller	24/09/2024	VI.2	N/A – updated with sign off details	

SECTION 5: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the relevant Cabinet Member:

- Approves the Business Case;
- Authorises the procurement process for the programme;
- Delegates the authority to authorise the procurement process to Paul Barnard, Service Director for Strategic Planning and Infrastructure;
- Delegates the authority to award of the contract to Paul Barnard, Service Director for Strategic Planning and Infrastructure where they would not already have the authority to award it within the scheme of delegation.

Councillor Mark Coker, Cabinet Member for Strategic Planning and Transport		Paul Barnard, Service Director	
Either email dated:	30 Aug 2024	Either email dated:	30 Aug 2024
Or signed:		Signed:	
Date:		Date:	