

Title: Operation and maintenance of electric vehicle charge points under the Go Ultra Low West (GULW) programme.	
Author: Richard Lowe	Job title: Programme Manager (Investment)
Cabinet lead: Cllr Fi Hance	Director lead: Bill Edrich

Idea origin: BCC Staff Date idea generated: 13/12/2016
Decision maker: Mayor Decision forum: <i>Cabinet</i>
Timescales: <i>Cabinet = 4th December. Forward Plan = 3rd November. Draft report = 9th November</i>
Purpose of Report: Cabinet approved the GULW project to proceed in April 2016 (see Appendix A) with respect to the installation of charging points (funded by a capital grant from the Department for Transport's Office for Low Emission Vehicles (OLEV)). A business case has subsequently been developed and the proposal is for BCC to operate and maintain the network across the West of England on behalf of the local authorities, contracting for back-office support for a minimum period of 3 years. This has been determined as being a Key Decision that requires further Cabinet approval to proceed.
Cabinet Member / Officer Recommendations: <ul style="list-style-type: none"> • That the Mayor agrees that Bristol City Council will operate and maintain the existing and ongoing charge point network, as contained in this report. This network can contain charging points in other local authorities or private land. That the Service Director of Energy services, or equivalent, in consultation with the Director of Finance, be given delegated authority to implement the option best suited to deliver a financially sustainable charging network. • That the Service Director of Energy services, or equivalent, be authorised to negotiate, complete and manage legal agreements with Bath and North East Somerset, North Somerset and South Gloucestershire councils, and any other parties as necessary, to enable the operation and management of the network, as contained in this report.
Evidence Base: <ul style="list-style-type: none"> • Grant award letter (See appendix A) • April 2016 Cabinet report (See link to report on council website) <p>The business case includes a number of scenarios and shows that driver numbers have the greatest impact on revenues. Forecasts are based on government figures and those of the Society of Motor Manufacturers and Traders. The outcome for the Council is a positive net profit position from year 3 and strategic control of the public charging network.</p>

Revenue Cost: £ revenue loss between £13k and £50k in early years (2-5 years depending on different scenarios) followed by anticipated surplus year on year thereafter. (see financial commentary)	Source of Revenue Funding: early year loss to be absorbed within Energy budget, plus potential ELENA 2 bid could support some of the staff and consultancy costs in the first years
Capital Cost: up to £2m grant funding asset life 10 years	Source of Capital Funding: Grant funding – Office of Low Emissions vehicles
One off cost <input checked="" type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/> Income generation proposal <input checked="" type="checkbox"/>
Finance narrative: This proposal seeks approval to deliver an installation programme of 200 new charging points on behalf of the 4 local authorities under the Ultra-Low West Programme. The capital cost for project delivery is fully funded by government grant (c£2m). It is proposed that after initial capital installation, the operation and maintenance responsibilities will fall	

under the Bristol City Council. The projected surplus and deficit are based on 3 main scenarios using government projection around electric vehicle driver numbers growth for the future.

The proposed business model is based on membership fees model operated by Bristol City Council. Please also note, the plan is also to combine and rebrand the current free 'Source west' charging points (c200), with the new charging points under one operating umbrella.

Please see the exempt appendix for revenue income and cost structures, and the sensitivity analysis on profitability under 3 customer uptake scenarios.

Further Financial risk considerations:

- 1) Technology advances meant that some of the previously installed charging points under 'Source west' around the city are no longer considered fastest. There is a risk that future development of technology may render the infrastructure redundant.
- 2) The installation should consider the locations more carefully, as in the past some of the charging points were not installed in convenient locations which resulted in low usage.
- 3) The operational business model requires further investigation and future proofing. There are a number of operators in the country mainly geographically based and operating on a membership only basis. The business model should leave sufficient room to explore potential joint ventures with other operator in the country in the future.
- 4) The cost and benefit should also be explored regarding other operating model such as outsourced concession. This should minimise the risk on early year deficit but may have a long term impact on future profit sharing.
- 5) Similarly the business model should explore potential joint working with commercial businesses such as supermarket to maximise usage and revenue for the further.

Finance Officer: Tian Ze Hao – Finance Business Partner

Risks:

- Non-delivery to OLEV timescales and return of funding.
- Charge points located in the 'wrong' place leads to lower than expected income from charging sessions and an impact on Council reputation and revenue position
- There is a need to future-proof charge points to reflect the rapid changes in vehicle technologies and driver behaviour.

Legal Consideration: It is presumed that the Programme Board formed under the Collaboration Agreement has already given approval for this work package. As far as BCC is concerned the pre-works contract elements such as soft market testing, developing of the Specifications and tender documents may be initiated at this stage.

NB To meet space restrictions this is an edited version of the legal commentary; the full version is contained in Appendix A.

Irfan Sheikh

Benefits:

- Putting Bristol on course to be run entirely on clean energy by 2050 by accelerating the transition to electric vehicles.
- Supports strategies for transport and energy infrastructure.
- Long-term income generation for Bristol City Council.
- Reduction in air pollution from transport by encouraging the switch to electric vehicles
- The project is a step in the process of making charge points accessible across the whole city.

Consultation Details: Taxi Licensees, residents and community organisations to be included in the market research for identifying concentrations of existing and aspiring EV drivers.

- Cllr Fi Hance has informally briefed the Cabinet, who were supportive of the proposal.
- West of England Councils Heads of Transport, April 2017 - Programme Board actions.
- Inter-Authority Executive Board, March 2017. Minutes and actions.
- SLT briefed 25th July.
- Executive Board briefed on 12th September as an Exception paper

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Nicki Beardmore 21 st June 2017	25 th July 2017	Fi Hance 30 th October 2017

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Exempt Information	YES