



REPORT TO:	Portfolio Holder for Public Protection
DATE:	Monday 12 th June 2023
SUBJECT:	Electric Vehicle Charge Points Charging Costs (MER-operated sites).
PURPOSE:	Approval of a change to the unit cost per kWh, for charging at the six charge points operated by MER.
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Portfolio Holder for Public Protection
REPORT OF:	Donna Hall - Head of Public Protection
REPORT AUTHOR:	Richard Boole – Public Protection Manager
WARD(S) AFFECTED:	Spalding (All Wards), Crowland and Deeping St Nicholas, Holbeach Town, Sutton Bridge
EXEMPT REPORT?	No

SUMMARY

Consideration of a proposal to increase the unit cost of charging an electric vehicle at the six charge points operated by MER, to reflect the significant changes in the cost of electricity. The Portfolio Holder for Public Protection is being asked to approve an increase, to come into effect straight away, to approve an amended rationale for future cost changes; and to approve the delegation of future decisions on unit rates to the relevant Service Manager, Head of Service or Assistant Director.

RECOMMENDATIONS

That the Portfolio Holder for Public Protection approves a mechanism to increase in the unit charging cost at the six electric vehicle charge points operated by MER, to come into effect straight away; to approve the amended rationale proposed for future cost changes; and to approve the delegation of future decisions on unit rates to the relevant Service Manager, Head of Service or Assistant Director.

REASONS FOR RECOMMENDATIONS

To ensure that the unit cost per kWh to charge an electric vehicle at the six charge points operated by MER continue to cover the supply cost of the electricity to South Holland District Council and the three community sites that are hosting charge points; and continues to ensure that operating costs are adequately covered, due to the significant increase in electricity supply costs. The recommendation also allows for a more flexible approach to the setting of the unit rate at any given time, to reflect future changes in electricity supply and other running costs.

OTHER OPTIONS CONSIDERED

Do nothing

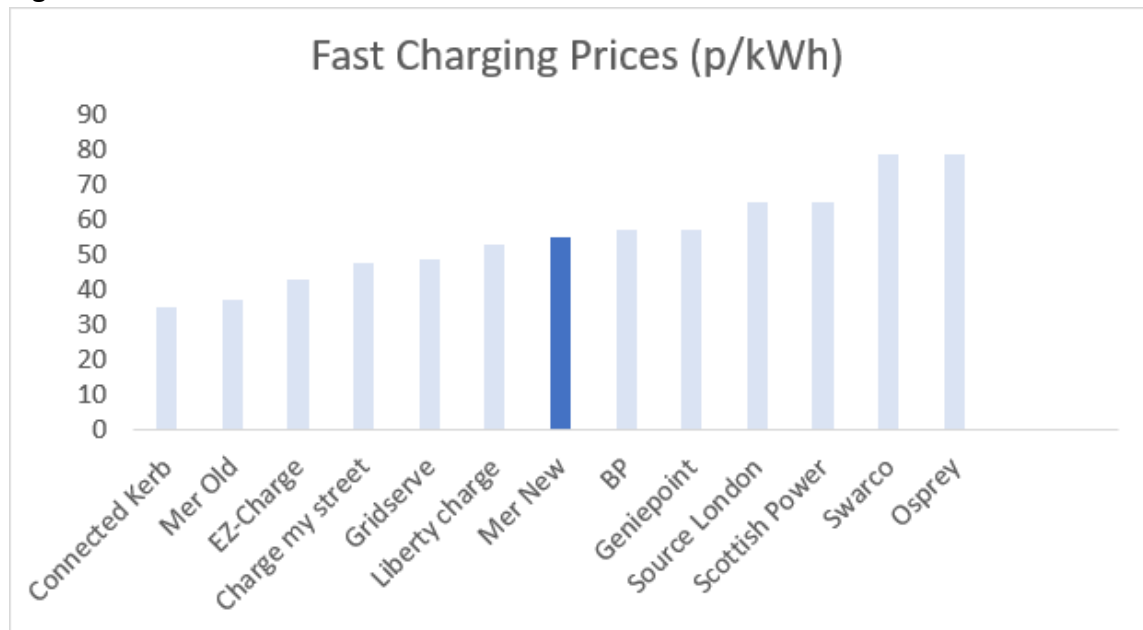
1. BACKGROUND

- 1.1 A scheme to introduce electric vehicle car points supported by funding under the Government's On-Street Residential Car Park Scheme, was approved in January 2019. The report submitted at that time included calculations for the setting of the charging cost at 30 pence per kWh, with an increase of 2% per annum to be applied, based on the Retail Price Index (RPI) at that time.
- 1.2 The sites approved under this scheme were the Vine Street, Victoria Street and Priory Road car parks owned and operated by the Council, plus three community sites in Crowland (Snowden Fields Pavilion), Sutton Bridge (The Curlew Centre) and Holbeach (Holbeach Community Centre).
- 1.3 The site operator, MER (ex Vattenfall), repays the Council for the electricity used. The Council in turn reimburses the operators of the three community sites. A condition of the leases with the three community sites is that the true cost to them of hosting the charge-points is fully covered, including electricity supply costs.
- 1.4 Due to the recent increase in the cost of living and the increased cost of energy, the agreed rate doesn't now cover the cost of the electricity itself and doesn't provide an operating margin above the electricity supply cost.

2. REPORT

- 2.1 The current rate charged to users at the six sites referred to is 30 pence per unit. MER advise that they are currently paying around 35 pence plus 20% VAT per unit (it varies from supplier to supplier) for electricity and for their new sites have increased their own network pricing to 55 pence per kWh from November 2022 to reflect the recent supply cost increases.
- 2.2 An up to date comparison of charging costs per unit can be seen in figure 1 below:-

Figure 1:



The current MER rate for new sites therefore sits mid-table in terms of cost to the charge point users. The sites we host are priced well below this and aren't actually covering their operating costs currently. Additionally, the original proposal included a small percentage profit share, payable to the Council, however there isn't any profit at present due to the low unit rate.

2.3 It is proposed that we agree to MER increasing the unit rate for charging to between 45 and 55 pence per kWh, to be determined at the time the change is made, in discussion with the Service Manager, Head of Public Protection and Assistant Director Regulatory Services, to ensure that it reflects the current operational costs, including the increased cost of the electricity supply.

2.4 It is also proposed that delegated authority be given to the Service Manager, Head of Service and Assistant Director responsible for the charge points at any given time, to be able to review the unit rate and agree changes to the rate in consultation with the charge-point operator, without further approval by Members, to ensure that the rate adequately covers ongoing operating costs.

3. CONCLUSION

3.1 The recommended changes will ensure that the charge points are adequately covering the cost of operation, ensuring that neither the Council, the community partners, nor the charge-point operator, are running at a loss. This would enable more flexibility to keep track with prevailing electricity costs and the commercial electric vehicle charging market, to reflect both increases and decreases, to keep the charge points competitively priced for users.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

4.1 The recommendation ensures that South Holland District Council is able to continue to provide these electric vehicle charge points whilst covering the full cost of operation, including electricity supply.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

5.1.1 To provide consistency of policy and operational arrangements for charitable organisations that operate across the Partnership and to aid efficiency and effectiveness of service delivery in each place.

5.2 CORPORATE PRIORITIES

5.2.1 The policy supports the Corporate Priorities and in particular supports the Priority of “Your Place” by helping enhance the wellbeing of communities.

5.3 STAFFING

5.3.1 There are no staffing implications arising from this report.

5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.4.1 The recommendation formalises the ongoing arrangements for the setting of the unit charge rate at these electric vehicle charging stations, now that they are operational.

5.5 DATA PROTECTION

5.5.1 There are no data protection implications arising from this report.

5.6 FINANCIAL

5.6.1 The recommendation ensures that the unit charge rate for the MER electric vehicle charge points can be set and periodically adjusted, to reflect ongoing changes in cost, including electricity supply costs. The contract includes a profit-share agreement, however it is not expected that any significant profit will be generated and the scheme wasn't implemented for this purpose.

5.7 RISK MANAGEMENT

5.7.1 The recommendation mitigates against financial risk that might otherwise arise from a failure to increase the unit charge rate to reflect ongoing costs.

5.8 STAKEHOLDER / CONSULTATION / TIMESCALES

5.8.1 The charge-point operator (MER) and the Portfolio Holder for Assets and Planning have been consulted in the development of this report and recommendation.

5.9 REPUTATION

5.9.1 Failure to maintain a competitive and up to date charging structure could lead to reputational risk for the Council.

5.10 CONTRACTS

5.10.1 The Council has a contract with the charge-point operator which included reimbursement of the electricity posts and profit share, however the charge point unit rate needs to be sufficient to cover this. Additionally, the leases for the three community sites require that the site owners are reimbursed for the cost of the electricity used by the charge points located on their land.

5.11 CRIME AND DISORDER

5.11.1 There are no crime and disorder implications arising from this report.

5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS / SAFEGUARDING

5.12.1 There are no equality and diversity, human rights or safeguarding implications arising from this report.

5.13 HEALTH AND WELL BEING

5.13.1 There are no health and wellbeing implications arising from this report, although electric vehicle charge points support reductions in local vehicle emissions.

5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.14.1 There are no climate change and environmental implications arising from this report directly, although electric vehicle charge points support reductions in local vehicle emissions and the Government's 'Road to Zero' strategy.

5.15 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

MISSIONS	
This paper contributes to the follow Missions outlined in the Government's Levelling Up White paper.	
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing. (check if any environmental ones)
Wellbeing	Supports improvements in health and well-being by tackling environmental issues that can have a negative impact.

6. ACRONYMS

6.1 None

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
None	

BACKGROUND PAPERS
Cabinet Meeting 15 January 2019 – Agenda Item 57 and associated decision d) – Electric Vehicle Charging Stations.

CHRONOLOGICAL HISTORY OF THIS REPORT
No History.

REPORT APPROVAL

Report author:

Richard Boole

Richard.Boole@sholland.gov.uk

Signed off by:

Donna Hall, Head of Public Protection

Christian Allen, Assistant Director - Regulatory

John Leach, Deputy Chief Executive - Communities