

East Herts Council Report

Overview and Scrutiny Committee

Date of Meeting: 18 January 2021

Report by: Councillor Graham McAndrew –Executive Member for Environmental Sustainability

Report title: Introduction of Electric Vehicle (EV) charging tariffs

Ward(s) affected: All

Summary

- The purpose of this report is to outline the proposal to introduce a tariff for the use of electric vehicle (EV) charging points within the car parks managed by the Council in line with the Council's fees and charges policy.

RECOMMENDATION FOR OVERVIEW AND SCRUTINY COMMITTEE

A) To endorse the principle of, and approach to, charging for the use of electric vehicle charging points in Council managed car parks, as outlined in this report, in order to inform the Executive's consideration of the proposal for adoption.

1.0 Proposal(s)

- 1.1 To introduce a charge for use of newly installed EV charging points within Council managed car parks and other assets in line with the Council's fees and charges policy.
- 1.2 To, over time, remove the current free EV charging points within the Council's car parks and replace them with points

requiring a tariff to use, subject to funding for upgrading the infrastructure, in line with the tariff charging described in this report.

2.0 Background

2.1 Council's July 2019 declaration on climate change stresses the importance of tackling climate change both in terms of reducing greenhouse gas emissions and planning for the local impacts of climate change.

2.2 In line with Council's commitment to environmental sustainability and aspiration to achieve carbon neutrality by 2030, there is a commitment to investigate environmental opportunities within Council managed car parks and install EV charging points, subject to a viable funding model.

2.3 This is supported by a recommendation from the member parking task and finish group in 2019 to "Establish an initial 5% of bays in EHDC car parks as electric vehicle (EV) charging bays and commit to increasing this proportion in anticipation of growing demand". Council, in February 2020, endorsed monitoring deliverability of this aspiration subject to funding availability.

2.4 The Council provides the following EV charging points:

- four EV charging points, 7 kWh capacity, in Gascoyne Way Multi Storey, Hertford (7kWh)
- six, up to 11kWh capacity, in Causeway, Bishop's Stortford, two of which are currently used for the East Herts e-car pool. It is anticipated these chargers will move to Link Road car park

- three, 7 kWh capacity, at Wallfields, Herford, two of which are within the Council's own car park for staff and members.

- 2.5 The Council has recently undertaken a number of major capital developments including a new leisure centre in Bishop's Stortford (Grange Paddocks) and Northgate End car park (due to complete in May 2022). Both projects include the installation of new charging bays, the new Grange Paddocks leisure centre will have 2 bays and the new Northgate End MSCP will have 54 EV bays. In addition, three EV charging points are in the process of installation at Bell Street car park, Sawbridgeworth.
- 2.6 Subject to successful external funding, there is an aspiration to extend EV charger provision further.
- 2.7 Given the capital investment into this new infrastructure and ongoing maintenance requirements, a charging mechanism is proposed to ensure operational costs are recovered to reduce the burden on the Council's medium term financial plan.
- 2.8 The number of electric vehicles registered in East Herts has significantly increased over the last 12 months to approximately 1,300 vehicles (2020/21 Department for Transport, DfT data). By 2027/28 this figure is expected to be in the order of 26,000 vehicles (25% of the total number of cars in the district) based on DfT/UK Power Network trajectory models. Thus, there is considerable risk that the electricity cost to the authority will increase sharply without a tariff in place to recover cost and so, in line with the Council's over-riding fees and charges policy that service users should make a direct contribution to the cost of providing services (both discretionary and statutory) at their point of use a tariff as described in paragraph 2.11 is proposed.

- 2.9 A Traffic Regulation Order (TRO) is already in place to allow enforcement of EV charging bays in Council managed car parks. The key feature of the scheme limits use of the EV vehicles to a maximum of 5 hours charging to enable a greater number of vehicles to make use of the facilities. It is anticipated that as further EV chargers become available this approach will be reviewed.
- 2.10 In addition to paying for electricity, the normal parking tariffs will apply for those car parks. The proposal for tariff introduction is aimed at recovering costs associated with the operation and maintenance of the chargers themselves.
- 2.11 The tariff proposed is 25p/kWh for fast chargers (7kW). A breakdown of costs can be found below with commercially sensitive information in **Appendix A**.

Cost Item	Cost
Average cost of electricity across EHDC estate	20p/kWh
Provider and Council costs	5p/kWh
Proposed charge (included VAT)	25p/kWh

- 2.12 Based on 25p/kWh, a typical charge for 3hrs would be:
- $25p \times 7kWh \times 3hrs = £5.25$ in addition to the cost of parking itself.
- 2.13 It is proposed that, as with all the Council's fees and chargers, the tariff will need to be regularly reviewed.
- 2.14 In terms of payment, the appointed provider would manage all customer contact including the payment app. Costs will be reconciled with the provider either quarterly or six monthly.

2.15 For information, tariffs imposed by other Hertfordshire authorities are highlighted below. The table below demonstrates that the proposed charge is at the mid-point locally.

Authority	Tariff charge
North Herts	42p/kWh for 45kW output (max 3hrs)
Watford	32p/kWh for 7kW output
East Herts proposal	25p kWh for 7-11 kWh output
Stevenage	17p/kWh for 7kW output

2.16 A strategy for the implementation of *future* electric vehicle bays and infrastructure is in the process of being developed and will be put forward for member consideration in due course. In the meantime, however, some *current* projects are nearing completion and a pricing strategy needs to be determined before these can be made available for the public and be enforceable.

3.0 Reason(s)

3.1 The Council has committed to its climate change declaration made in 2019 and subsequently the development of an environmental sustainability action plan commits the Council to the installation of EV chargers where appropriate and it is financially viable to do so. In line with the new fees and charges policy, the Council needs to recover its costs of operation and maintenance to reduce any anticipated pressure on the Medium Term Financial Plan (MTFP). Therefore a charge is being proposed for EV charging points.

4.0 Options

- 4.1 Do nothing – NOT RECOMMENDED. Not charging for EV charging use will result in additional pressure on the Council's revenue position. Furthermore, without establishing a means to enable additional chargers to cover their costs, it will not be possible to install new chargers, thus compromising the Council's role in facilitating reductions in carbon emissions.
- 4.2 Introduce charges but not on a cost recovery basis – NOT RECOMMENDED as this would only lessen the financial burden on the Council of EV charging infrastructure and thus, as discussed under the 'do nothing', this approach would compromise the Council's ability to install chargers and encourage carbon reduction.
- 4.3 Implement a cost recovery approach as proposed, including coverage of lifecycle cost/capital investment – RECOMMENDED for the reasons outlined in this report.

5.0 Risks

- 5.1 Risks associated to a charged service include potential for increased customer contact should the software not work. This is mitigated by the provider managing all customer contact.
- 5.2 There is reputational risk associated with the introduction of any new charge which could possibly be amplified by being seen as a disincentive to switching to an e-vehicle. In response to this, however, the principle of paying to use an EV charger is now well-established nationally with only a minority of chargers in operation still providing free electricity.

6.0 Implications/Consultations

6.1 A number of implications have been considered as part of this report.

Community Safety

Yes – the cost of repairing any damaged/vandalised charging points is incorporated as part of the replacement programme.

Data Protection

Yes – Terms and conditions of the payment app will be managed directly between the user and provider.

Equalities

Yes – the trend for EV payment is cashless and via apps and could possibly have a differential impact on those less familiar with technology. It is considered, however, that those using an e-vehicle are likely to be familiar with more modern methods of payment and so it is considered that no mitigation is required.

Environmental Sustainability

Yes – this supports the Council's climate change declaration and associated actions plans.

Financial

Yes – the approach fulfils the requirements of the fees and charges policy. A breakdown of costs can be found in **Appendix A**.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Yes – Terms and conditions with provider has been considered by the Council’s legal team. Standard terms and conditions have been accepted.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 **Appendix A** – Breakdown of costs – confidential

7.2 **Appendix B** – Equalities Impact Assessment

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