

To: Infrastructure, Land and Environment Policy Board

On: 20 March 2024

Report by: Director of Environment, Housing and Infrastructure

Heading: Electric Vehicle Charging Infrastructure (EVCI) - Regional Collaboration

1. Summary

- 1.1. This report provides the Infrastructure, Land Environment Policy Board with an update on work undertaken to develop a collaborative approach to expanding the public electric vehicle charging infrastructure network across the 8 local authorities of Glasgow City Region and seeks approval for the next steps required to progress towards a commercial delivery arrangement.
 - 1.2. A version of this report is being submitted to each of the 8 local authorities in the region to secure local approval for the proposed approach of this project.
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2. Recommendations

It is recommended that the Infrastructure, Land and Environment Policy Board:

- 2.1 Notes the content of the report and the collaborative work undertaken to date;
 - 2.2 Approves the participation of the Council in a collaborative procurement to engage a commercial partner through a partnership with all 8 local authorities in Glasgow City Region, to deliver the benefits set out in the report (Section 3)
 - 2.3 Notes the detail at section 7.2 regarding the proposed cessation of Chargeplace Scotland by the end of 2025 and the Council will have to have alternative arrangements in place for back-office systems regardless of the delivery model agreed
 - 2.4 Agrees in principle to entering into an Inter Authority Agreement (IAA) among the 8 local authorities, and delegate the subsequent procurement and commercial decisions relating to the commencement and conclusion of the procurement process to the Director of Environment, Housing and Infrastructure, in line with the approach set out in the report (Section 7); and,
 - 2.5 Instructs officers to provide update reports on the progress of the work to the Infrastructure, Land and Environment Policy Board as required throughout the development of the project.
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3. Background

- 3.1 This section summarises the work that has been undertaken to date to support the expansion of the EVCI network across Renfrewshire and the other 7 local authorities in Glasgow City Region.
- 3.2 In January 2022, the Scottish Government launched the [Electric Vehicle Infrastructure Fund](#) (EVIF) with the objective of unlocking private sector investment to expand the publicly accessible charging network on local authority land and assets.
- 3.3 Transport Scotland has engaged the Scottish Futures Trust to support local authorities in the development of their EVCI strategies and is also actively encouraging local authorities to collaborate in their strategy and delivery activity to expand the charging network.
- 3.4 At the outset it was agreed that a regional approach to this issue would be advantageous to all local authorities in order to secure maximum return but also to provide the widest possible coverage of EV infrastructure across the region.
- 3.5 In December 2021, Renfrewshire and the 7 other local authorities agreed to progress an initial report into current electric vehicle charging provision, tariffs, and forecast future needs of the authorities, jointly funded using the EVIF allocations for each local authority. The report was concluded in June 2022.
- 3.6 Further to the initial report, Renfrewshire and the 7 other local authorities engaged consultants on behalf of the local authorities to develop more detailed *Strategy and Expansion Plans* (SEP).
- 3.7 Building upon the SEP, the GCR Electric Vehicle Senior Officers' Group ('the Senior Officers' Group') was established, chaired by South Lanarkshire Council, and with senior officer representation from each of the 8 GCR member authorities (MA's).
- 3.8 The Senior Officers' Group oversaw a Prior Information Notice (PIN), published in June 2023, to engage with the Charge Point Operators (CPOs), explore market appetite and inform GCR's approach to the expansion of EVCI. There was significant private sector interest with 33 responses received and a clear preference expressed by most CPOs to engage collaboratively with all 8 GCR local authorities as part of a planned and strategic approach.
- 3.9 In August 2023, GCR Cabinet agreed that a collaboration between the local authorities to expand the EVCI network should be based upon a [clear set of agreed principles](#):
 - i. To deliver a just transition, we must **ensure equitable access to electric vehicle charging infrastructure**, with a clear recognition of geographical characteristics and the different solutions that may be applicable.
 - ii. Ensure that all **residents are able to access electric vehicle charge points close to their home**.
 - iii. Align with the priorities of the Sustainable Travel hierarchy to **ensure that public transport, walking, wheeling and cycling options are prioritised** wherever possible.
 - iv. **Collaborate across the GCR member authorities** to identify cost savings and ways to deliver a high standard of customer experience.
 - v. Work together to **identify and overcome grid capacity issues**.
 - vi. **Identify opportunities to develop joint public and fleet EVCI projects**, and where there are opportunities to align with HGV, hydrogen refuelling and the introduction of rapid and ultra-rapid charging stations.

- 3.10 Further commercial and financial analysis was undertaken during the summer of 2023, to more fully understand the risks and opportunities of the different commercial arrangements that local authorities could use to expand EVCI. On 7 November 2023, the Cabinet was advised of the conclusion of this stage of the work with a preferred approach to progress through a continued collaboration among the 8 local authorities on the basis of a concessionary-type commercial model.

4. Objectives and Benefits of GCR Collaboration

- 4.1 The work to date indicates clear advantages of progressing with the expansion of the public EVCI network as a collaboration of GCR's 8 local authorities.

- 4.2 Collaborating to expand the EVCI infrastructure offers a range of benefits for the local authorities' wider policy objectives and these are described in the following paragraphs.

4.3 Leveraging Private Sector Investment

Proceeding with a collaborative concession type contract provides the opportunity to maximise the amount of private sector investment to pay for the majority or totality of the new EVCI. The PIN exercise (see 3.8 above) indicated an appetite from a number of chargepoint operators to fully fund the expansion of the network, with none of the capital costs being provided by the local authorities (this was dependent on other contract conditions, such as the contract term).

- 4.4 The additional chargepoints forecast in the Strategy and Expansion Plan indicated a total capital cost of £71 million across the City Region. **It will be an objective to develop a proposal that can be fully funded by the commercial partner with no requirement upon the local authorities to fund the infrastructure costs.** There will be an amount of capital grant available from the EVIF to assist in the delivery. The amount has not yet been agreed by Transport Scotland.

- 4.5 From a Renfrewshire perspective, should we wish to go out alone on a Renfrewshire only basis, the indicative capital costs are estimated to be in the region of £10million at 2023 prices, this figure will only increase and any future model should deliver the best return for the area.

4.6 Financial & Commercial Risks

A concession-type commercial arrangement **would allow the local authorities to transfer the potentially significant commercial, financial, technical, and regulatory risks** to a commercial partner. It is proposed that a private sector partner would be invited to take on the operation, maintenance, and ownership of the existing network of 600 (approx.) local authority owned chargepoints in GCR, as well as providing the investment required to significantly expand the number and location of chargepoints equitably across the City Region.

4.7 Generating an Income Stream

Allowing a commercial partner to operate EVCI on local authority land and assets has the potential to generate an income stream for the GCR local authorities. This could be through a variety of different arrangements – e.g. income share, revenue share, a rental fee, or a combination. The amount and type of income stream will be influenced by the broader commercial arrangements of a contract, such as the contract term and where the risks and responsibilities are assigned between the local authorities and private partners.

4.8 Economies of Scale and Reduced Duplication of Effort

While the objective of this project is to expand the EVCI network at no/minimal cost to the local authorities, collaboration offers significant economies of scale and financial savings during the developmental and delivery phases. The cost of technical consultancy support, procurement, and programme management will be shared among the 8 local authorities. Discussions between the PMO and consultants during initial soft market testing prior to going to the market indicate that this saving could be in the region of £500,000 across the authorities.

4.9 There will be other, currently unquantified, savings in an arrangement where one lead local authority, acting on behalf of all 8, enters into a contract with a commercial partner, avoiding the need for 8 individual procurement and contracting exercises and the costs associated with this. It is also proposed the long-term contract management arrangements could be undertaken by a central team, with the ongoing costs of this met through the pooling of an element of the local authority income stream generated by the contract.

4.10 Again, from a Renfrewshire perspective, should we wish to pursue this agenda on our own, the level of resource required for procurement and contract management would all need to be put in place and all associated risk coming to Renfrewshire alone.

4.11 **Ensuing All Communities Can Access the Chargepoint Network**

Through collaboration we can take a strategic approach to locating EVCI. CPOs will be able to make commercial decisions looking across a much larger number of chargers and will be able to balance high usage sites against lower usage areas. The scale of a GCR collaboration will enable private investment in the network where individual local authority initiatives on their own may be too small to be commercially attractive.

4.12 Taking a package of sites across all local authority areas to the market will also avoid a situation where local authorities are going individually and competing for CPOs – a situation where GCR local authorities were competing to secure engagement with CPOs would disadvantage those areas seen as less attractive and wouldn't meet the objective of making EV chargers available to all, especially more disadvantaged communities within the City Region. Taking a GCR collaborative approach will allow GCR to go to the market at scale, giving a stronger voice in the sequencing of installation and the locations in which chargers are sited, ensuring that no communities are neglected.

4.13 **Community and Supply Chain Benefits**

Responses to the PIN, issued in June 2023, indicated that given the scale and commercial attractiveness of a GCR collaboration, some CPOs were explicit in their intention to work with local supply chains during the installation and the ongoing maintenance of such a large EVCI network. These opportunities will be explored during the procurement process. As with all major contracts, there will be a requirement for the inclusion of community benefit clauses in the tender and procurement process.

5 Potential Shape of a GCR EVCI Collaboration

5.1 In early January 2024, the Scottish Futures Trust (SFT) and officers from GCR Programme Management Office undertook a series of workshops with officers from each of the eight local authorities. The workshops were structured around discussion of key issues relating to potential:

- commercial arrangements with a private sector partner;
- joint working arrangements between the local authorities; and

- procurement options and routes to market.
- 5.2 A number of the key technical aspects of a future commercial arrangement with the private sector were discussed at the workshops, providing a firm basis to develop joint tender documents that would be used in the procurement process to identify a private partner.
- 5.3 The total number of residential, destination, and journey chargepoints that were forecast in the GCR SEP are set out in the table below and broken down by local authority.

| | Residential AC (7kW) | Destination AC (7 – 22kW) | Journey - Rapid DC (50kW +) |
|--------------------------------|-------------------------|------------------------------|--------------------------------|
| East Dunbartonshire | 105 | 66 | 17 |
| East Renfrewshire | 143 | 122 | 29 |
| Glasgow City | 1,317 | 207 | 53 |
| Inverclyde | 172 | 93 | 36 |
| North Lanarkshire | 481 | 276 | 34 |
| Renfrewshire | 405 | 258 | 51 |
| South Lanarkshire | 467 | 242 | 33 |
| West Dunbartonshire | 141 | 81 | 9 |
| GCR Totals | 3,231 | 1,345 | 262 |

- 5.4 Following discussions among the MAs, SFT and Transport Scotland, and informed by the consultation with the market through the PIN issued in June 2023, the proposed approach discussed with the EV Senior Officers' Group and the GCR Chief Executives' Group, is **to split the total number of forecast chargepoints into a series of lots**. This pragmatic approach will help to align EVCI installation with the capacity of the market and of local authorities to deliver across the proposed sites.
- 5.5 The proposed approach, based on discussions with officers from the local authorities, is that the first lot of chargepoints should include:
- all existing EVCI (approximately 600);
 - all destination AC (7-22kW) chargepoints (approximately 1,345);
 - all rapid DC (50kW) chargepoints (approximately 262); and,
 - 20-25% of the forecast residential chargepoints (approximately 650-800).
- 5.6 In addition, it is also proposed that the first lot will also include sites where there is the opportunity to install Ultra Rapid Charging (100kW to 350kW). The SEP identified potential sites that met a set of basic criteria where they may be attractive as ultra-rapid charging stations. Further work will be required to identify which of these sites can be progressed.
- 5.7 The exact number of EVCI locations and chargepoints will be determined during the site selection process. Each local authority will require to undertake their own analysis about the suitability of the proposed locations for EVIF included in the SEP and to provide a list of sites within their area to be included in the package that is offered to a commercial partner. Each local authority will also be asked to prioritise these sites.
- 5.8 It is anticipated that subsequent lots will be weighted towards the remaining residential charging infrastructure, and any additional journey and destination sites that are identified. During the development of the procurement documents a strategy for bringing future lots to the market will also be considered.

6 Joint Working and Procurement Options

- 6.1 The feedback from the officer workshops demonstrated support for a collaboration across GCR through the planning, procurement and delivery stages. There was also a recognition of the need to put in place an Inter-Authority Agreement to facilitate this collaboration.
- 6.2 There was a consensus view expressed in the workshops that one local authority should contract with a commercial partner on behalf of all 8 MAs, with a preference for a single procurement, rather than establishing a framework for MAs to draw down from.

7 Draft Timeline

- 7.1 If the approach to progress the collaboration is approved by Infrastructure, Land and Environment Policy Board then the GCR PMO will work with the EV Senior Officers' Group to monitor the operational timeline for delivery of the project. Current key dates are set out below:

| Action/Milestone | Estimated Date/Timescale |
|---|-------------------------------------|
| Finalise EVIF arrangements for consultancy support | February 2024 |
| Engage Consultancy Support for the Procurement Stage | February to April 2024 |
| Secure Local Authority Agreements to Collaborate on EV | March to May 2024 |
| Appoint Consultants to Support Development of Tender and GCR Proposal | May/June 2024 |
| Preparation of Tender Documents | June to November 2024 |
| Commence Procurement | December 2024/January to April 2025 |
| Evaluation of Tenders | May to June 2025 |
| Contract Awarded to CPO | July to August 2025 |
| Charge Place Scotland Transition Network Planning & Mobilisation | September to December 2025 |
| New Chargepoint Installations | January 2026 onwards |

- 7.2 The most pressing issue is Transport Scotland's decision not to renew the Charge Place Scotland (CPS) contract. This will require all local authorities (and other chargepoint owners currently using the CPS system) to put in place an alternative arrangement for the back-office and maintenance of their chargepoints before December 2025. GCR's ambition is to have these 600 (approx.) existing chargepoints included within the scope of the first lot, however there is a significant risk that the timing of this new arrangement being in place will fail to align with TS's ending of the Charge Place Scotland service. The GCR PMO is liaising closely with TS to identify potential mitigations for this risk.

8. Governance and Support arrangements

- 8.1 A collaboration of the 8 GCR local authorities will require a clear governance and decision-making process. In addition to endorsement by the Glasgow City Region Cabinet, the key decisions will require the approval through the relevant local governance structures of each of the 8 authorities.
- 8.2 The collaboration will also require an Inter Authority Agreement to be put in place and signed off by all 8 GCR local authorities. In order to allow the project to meet the proposed timeline set out above, this report proposes that:
- the approval of the Inter Authority Agreement;
 - issuing of the tender documents; and,

- approval of the preferred bidder and agreement to enter into a contract;

is delegated by the Infrastructure, Land and Environment Policy Board to the Director of Environment, Housing and Infrastructure on behalf of Renfrewshire Council.

- 8.3 All 8 local authorities will require to approve the proposed approach through their own local governance structures prior to any contract being entered into. A longer-term agreement between the 8 GCR local authorities will be finalised at the point of entering into a contract with a commercial partner – this will include the ongoing contract management arrangements.
- 8.4 In order to support the development of the tender documents, site selection process, and development of the GCR EVCI proposal, Glasgow City Region PMO will continue to provide support to the EV Senior Officers' Group. Expert technical consultancy support will be engaged by the GCR PMO and funded by contributions from each local authority through their allocations from Transport Scotland's EVIF.
- 8.5 To ensure each local authority is engaged in the development process and able to influence the development of the tender, officer support groups will be established to provide expert advice and to update their own organisations as required. In addition to the existing EV Senior Officers' Group, it would also require groups with a focus on legal, procurement, and technical aspects.

9. Next Steps

- 9.1 The next steps that will be progressed if the recommendations to this report are approved:
- i. Finalise an Inter Authority Agreement among the 8 local authorities with sign off delegated to the Director of Environment, Housing and Infrastructure;
 - ii. GCR PMO will secure expert external consultancy support to draft the tender and technical documents, and oversee the site selection process;
 - iii. Put in place a procurement strategy to go to the market to identify a commercial partner;
 - iv. Undertake a site selection process with each local authority to identify their preferred sites for the location of EVCI;
 - v. Commence a procurement process with Glasgow City Council, on behalf of the 8 local authorities, acting as the Lead Authority for the procurement stage; and,
 - vi. Evaluate the responses to the tender and recommend appointment of a commercial partner.

10. Financial and Revenue Implications

- 10.1 The intention is to utilise Transport Scotland's EVIF to meet the costs of the development of the GCR proposal, development of the procurement documents, specialist external legal advice, and other costs associated with the development of the collaboration. Each local authority will contribute a portion of their grant award which will be pooled by the GCR PMO who will engage the required consultancy and advice services on behalf of the 8 local authorities as required.
- 10.2 The overarching aim of the approach set out in this report is to leverage private sector investment so that no/or minimal capital investment is required from the local authorities to deliver the expansion in EVCI. On this basis there is not anticipated to be any requirement for capital investment.

- 10.3 It is anticipated that the long-term contract management of the commercial arrangement will be met by the collective income stream that is generated. It is suggested that the income stream from a commercial partner is pooled to meet the central contract management costs, with the surplus income then being distributed among the local authorities based upon an agreed formula.
- 10.4 Overall, there should be no cost to Renfrewshire Council and the other local authorities from this proposed approach. However, this will depend on the market appetite to engage with GCR and can only be confirmed on conclusion of the procurement process. The funding to provide the resource required to deliver the procurement exercise is all being met from Transport Scotland's EVIF fund.

11. Legal Implications

- 11.1 The main legal requirement will be the establishment of an Inter Authority Agreement that allows one local authority to act as lead in the process to procure and contract with a commercial partner on behalf of the other 8 authorities.
- 11.2 There will be a requirement for expert external legal advice to support the development of the GCR proposal and this will be engaged by the GCR PMO.
- 11.3 A legal support group, consisting of solicitors from each of the 8 local authorities, will be established to support the development of the project.

Implications of the Report

1. **Financial** – At the current time, the financial implications are unknown, although the preferred model is for the Council to incur no capital or revenue expenditure costs and to generate revenue as a result of the preferred model.
2. **HR & Organisational Development** – *None*
3. **Community/Council Planning** –
 - *Our Renfrewshire is thriving – providing access to charging facilities for electric vehicles across all communities will ensure no communities are left behind.*
4. **Legal** – *early engagement has been carried out with officers in Legal Services to identify any potential risks with the various models under consideration and this will continue throughout the procurement process.*
5. **Property/Assets** – *None*
6. **Information Technology** – *None*
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – *None.*
9. **Procurement** – *early engagement has been carried out with officers in Procurement to identify any potential risks with the various models under consideration and this will continue throughout the procurement process.*

10. **Risk** – *Detail of associated risks will be worked through with the Council’s Risk Manager when details of potential preferred models become available.*
11. **Privacy Impact** - *None*
12. **COSLA Policy Position** – *None.*
13. **Climate Risk** – *The proposed expansion of EV infrastructure across Renfrewshire and the wider City Region complements the overall aims of the Council’s Ren Zero plan.*

List of Background Papers

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