

Report to: Cabinet



Date of Meeting 10 July 2024

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Local Electric Vehicle Infrastructure (LEVI) – Project progress update

Report summary:

Devon County Council (DCC) have been allocated £7,067,000 funding through the Local Electric Vehicle Infrastructure (LEVI) Capital Fund to facilitate the installation of EV chargers across Devon.

DCC have invited EDDC to be part of the project by selecting car park sites to have 22kWh chargers installed.

EDDC have already been part of several previous EV charge point projects working with DCC and other local authorities in Devon. This project in particular benefits from the LEVI capital fund which will be used to unlock previously unviable sites.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

1. That Cabinet provides authority for EDDC to enter into the collaboration agreement with Devon County Council to commit to the LEVI Project and provides delegated authority to the Director of Finance to agree the terms of the agreement in consultation with the Director of Governance.
2. That Cabinet approves the minimum list of Car Park sites to be included within the DCC LEVI project and provides delegated authority to the Director of Finance in consultation with the Director of Governance to add to or remove sites from the project.
3. That Cabinets provides authority for EDDC to enter into lease agreements and any other legal documentation required for the siting of the EV chargepoints and provides delegated authority to the Director of Finance to agree the terms of the legal documents in consultation with the Director of Governance.

Reason for recommendation:

The DCC LEVI project represents an opportunity for EDDC to provide additional EV chargers within District owned car parks that do not already contain them, including in some locations that may only be viable as a result of this funding stream.

There will be no capital cost to EDDC, and DCC have received funding for project management of the installation programme.

EDDC have worked with DCC on two previous EV installation projects and our collaboration with this project aligns with the principles and approach of the EDDC Parking Strategy, provides economies of scale as well as consistency of charging infrastructure across Devon.

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; The primary risk for this project is that of potential alternative use for any of the selected sites within the agreed lease term. This will result in EDDC having to provide financial compensation to the chosen supplier should it wish to end the lease contract. It is therefore important to find the balance between taking advantage of an available funding stream, and exposing the Council to additional risk should EDDC wish to use the sites for something else during term of the expected lease. A secondary risk is the loss of parking spaces within each chosen site to facilitate the installation of the chargepoints. 3 normal parking bays will be lost to accommodate the installation of 2 charging bays at each site.

Links to background information [Introductory Cabinet Report advising of our engagement with the LEVI project](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

LEVI Project overview

DCC were formally granted £7million from OLEV in April 2024 following a lengthy application process. The funding will help achieve the aims of the Devon EV Charging Strategy, including delivery of approximately 2,000 publicly accessible charge points across the County. As well as facilitating the installation of chargepoints in District owned car parks, the funding will enable the installation of chargepoints in Town and Parish owned car parks and support the delivery of on-street charging solutions for those without off-street parking.

LEVI project delivery

DCC have received funding to project-manage the delivery programme, which will comprise of various “lots”. Each lot will represent a different output from the project and will be subject to tender.

EDDC Car Parks

As far as car parks are concerned, the ambition of the LEVI project is to install at least 2 x 22kw chargepoints in as many District owned car parks as possible, with potential for up to 6 further sockets in the future.

DCC have invited EDDC to submit a list of car parks sites to be included in the project. These sites currently have no EV chargers in situ.

Site Name	Postcode	Risk
Camperdown Terrace Long Stay	EX8 1EJ	Future requirement for fleet charging
Church Steet	EX10 9RL	
Cliff Top Long Stay, Beer	EX12 3AQ	Requires additional hardstanding to be feasible
Coombe Lane Long Stay	EX13 5AX	
Foxholes Long Stay, Exmouth	EX8 2AY	Included within the scope of the Exmouth Placemaking Project
Maer Road Long Stay	EX8 2DB	Included within the scope of the Exmouth Placemaking Project
Manor Farm Estate (FREE)	EX10 0SN	
Manor Road Long Stay	EX10 8RR	Gamma charges due for installation
Mill Street Short Stay	EX10 8BY	Already a small P&D area
Poplar Mount Long Stay	EX13 5DZ	
School Lane (FREE)	EX10 0EJ	
Seaton Jurassic	EX12 2WD	
Silver Street Long	EX14 1QL	
Temple Street (FREE 2 hrs)	EX10 9BJ	
Canaan Way Long Stay	EX11 1EQ	
Estuary Long Stay Car park	EX8 1DB	Included within the scope of the Exmouth Placemaking Project

By including a site in the project, we are effectively agreeing to its long-term availability as a parking place, as well as committing the perspective chargepoint operator to installing chargers at the site as part of the project. DCC will then subsidise any necessary grid upgrade costs to make installation at the site possible using the OLEV funding. The chargepoint operator will be responsible for funding the installation of the chargepoints and ensuring their future operation and maintenance.

After interest and support of the DCC project since its inception, we have now reached a decisive crossroads where we must choose to formally commit the sites we wish to be included in the project. If there is known uncertainty over the future availability of a site, or if it is deemed that the loss of parking spaces would be particularly detrimental to a particular car park, then those sites should be removed from the list at this point. It is possible as the project progresses to add sites, although these may not then be included in the initial delivery phase. Ultimately the chosen supplier will decide whether a site is a viable for them to install the EV chargers. They will carry out their own due diligence to assess sites and decide which ones from the list they are able to proceed with.

For each 2 charging bays installed, 3 normal parking bays will be lost. The below shows a conservative estimate of the average number of charging sessions that may be expected in year one, with a minimum revenue share of 3% and the risk of lost parking income based on likelihood of a specific car park reaching capacity. The number of average charging sessions will likely increase in-line with public EV ownership.

Estimated Revenue Share - Year 1			Likelihood of lost Parking Revenue	Potential lost revenue - annually
Proposed site for LEVI Project	Estimated average monthly sessions - Year 1	3% yearly revenue share - 0.57 per charge session		
Camperdown Terrace Long Stay	20	£ 68.40	Low/Medium	£ 75.59
Church St	15	£ 51.30	Low/Medium	£ 10.12
Cliff Top Long	20	£ 68.40	Low	£ 5.55
Coombe Lane Long	15	£ 51.30	Low	£ 5.19
Foxholes Long Stay	35	£ 119.70	Medium	£ 144.63
Maer Rd Long Stay	20	£ 68.40	Low	£ 40.69
Manor Farm Estate	10	£ 34.20	None - Free Car Park	£ -
Manor Rd Long Stay	25	£ 85.50	Low	£ 135.58
Mill St Short Stay Section	20	£ 68.40	High	£ 147.09
Poplar Mount Long	15	£ 51.30	Low	£ 74.57
School Lane	15	£ 51.30	None - Free Car Park	£ -
Seaton Jurassic Long Stay	20	£ 68.40	Low	£ 100.31
Silver St Long	15	£ 51.30	Low	£ 49.88
Temple Street	15	£ 51.30	None - Free Car Park	£ -
Canaan Way Long Stay	15	£ 51.30	Low	£ 23.36
Estuary Long Stay Car park	25	£ 85.50	Medium	£ 32.44
TOTAL	300	£ 1,026.00	Low	£ 845.00

Alignment with EDDC Parking Strategy 2024 -2031

The EDDC Parking Strategy was adopted by EDDC Cabinet in April 2024. It acknowledges that car park charging provision is not top of the hierarchy but will also provide an invaluable service to some motorists. The strategy approach is cautious, as it is expected that the private sector will invest heavily in EV charging infrastructure in the coming years, and therefore having a limited number of chargers in many locations will most likely be sufficient in terms of our role in providing these facilities for motorists.

The scale of the LEVI project and the potential geographical spread of chargers aligns with the principles and objectives of the EDDC Parking Strategy. The project could support the delivery of up to 60 chargepoints, predominantly targeted at residential use.

Principle - *To play our part in encouraging and supporting the transition to Electric Vehicles, whilst considering the non-fiscal potential of our car parks in achieving Net-Zero by 2040*

Objectives

Use available space within our car parks to help meet local and visitor electric charging (EV) need.

EDDC has already facilitated the provision of 40 EV chargers within its car parks and has plans to deliver up to an additional 73 in partnership with Devon County through the Government's LEVI (Local Electric Vehicle Infrastructure) fund in 2024/25. The delivery of EV bays through lease agreements comes at the direct expense of parking availability within our car parks, as the bays can then no longer be used to meet ordinary parking need, and in fact the bays are required to be vacated once a charging session has ended to allow for continuous use. Recharging in car parks is not top of the EV charging hierarchy, but it can offer an essential and convenient service provision to residents without the capability to charge at home. Installing the right type of chargers in the most suitable car parks will be the future priority for EDDC, and this will be balanced with the need to cater for standard parking sessions too. The need for EV infrastructure will evolve over the coming years, as more private operators enter the market, therefore EDDC will be cautious not to over-commit valuable car parking assets that are also required to meet other priorities. In a classic case of the chicken and egg, motorists are hesitant to invest in expensive EV's, whereas charger providers do not have the quantitative evidence to justify their need. A measured and County wide approach to EV charging provision will offer consistency in service provision, as well as a holistic approach to ensuring sufficient EV charging capacity across the entire travel network.

Next steps

Once the collaboration agreement is signed by all parties, DCC will run the procurement process to select an appropriate supplier. The procurement will be led by DCC with a small panel of representatives from the wider authorities involved in the evaluation process. The tender documents have been prepared by DCC's procurement team, with the involvement from all authorities. The tender documents set out the required specifications, legal terms, and what is required and expected from the supplier. The suppliers will bid and provide details of the percentage of revenue share that they will be able to pay to the district authority landlords. The tender documents drafted by DCC requires potential suppliers to offer a minimum of 3% revenue share.

DCC will then enter into a concession agreement with the chosen supplier. EDDC will not be a party to this agreement but it will govern the relationship between DCC and the supplier and contain details of the project KPIs and obligations on the supplier in respect of the design, installation and maintenance of the EV chargepoints.

A standard lease document has been prepared by DCC which is based on those which have been used for the two previous DCC led EV charging programmes, with some additions and amendments to take into account the experience gained from those previous projects.

Once the supplier has been appointed, EDDC will be required to enter into a lease in respect of each selected site to allow the supplier to install the EV charge points.

The Lease will be for a term of 10 years, with a potential for a 1 year extension if the supplier meets certain KPI's set by DCC. This 1 year extension option has been designed to incentivise suppliers to ensure installation and connection is done as quickly as possible. This seeks to mitigate concerns and issues with previous sites where there have been delays.

Installation of the chargepoints will commence in 2025.

Summary

The DCC LEVI project represents an opportunity to deliver EV chargepoints in locations that would not otherwise be feasible, due to the utilisation of central government funding that will help overcome previous barriers to connection.

Although there is no direct Capital cost for delivering the chargepoints, there will be a risk of including sites within the project that may be subject to other plans during the lease period (minimum 10 years, maximum 11 years). Based on the stated minimum EDDC revenue share, income from the charging sessions will not be significant until EV ownership and chargepoint utilisation increase, however at this point competition from private industry will also be higher.

This project represents a relatively cautious approach to providing more EV charging provision within our car parks, which aligns with the EDDC parking strategy and is appropriate considering the slower than expected take up of EV's across the UK. Ultimately, it is not expected that the public will rely upon District Council car parks to meet their charging needs, however the availability of these chargers will be an attraction to our District in their own right, and will represent an important service provision for some, especially as EV ownership grows. The financial risk from lost parking income is low, and any financial loss should be more than covered by the revenue share contribution made by the chargepoint operator.

Users of the chargepoints will be required to pay the commercial rates set by the operator and these will always be more expensive than charging an EV vehicle at home using a domestic energy supply. EDDC will not have control over the commercial rates charged by the supplier,

however, utilisation will be required to ensure realisation of their projected financial returns throughout the lease period.

Financial implications:

The financial details are covered in the report. It is clear there is not a material financial return for the Council, but then there should not be a loss, the project is based on other objectives in line with the adopted Car Parking Strategy.

Legal implications:

Legal comments Cabinet approval is required for EDDC to enter into the Collaboration Agreement with DCC to commit to taking part in the LEVI project. Timescales have been very tight and Legal Services are still negotiating provisions within the collaboration agreement and the template leases to protect EDDC's position in relation to this project. A verbal update will be provided to Cabinet by the report writer.

Governance and procurement

The procurement of the supplier is being carried out by DCC who will then enter into a contract for the supply and operation of the chargepoints (the concession agreement). EDDC are named as a party to the procurement and therefore we understand that the procurement is being carried out on our (and the other partner authorities') behalf. Under the terms of the collaboration agreement, DCC will carry out the work involved in the procurement process. Our independent procurement advisors at DCC have confirmed that this process is being carried out lawfully. In addition to the procurement, although there is no direct cost to EDDC being involved in the project, for the purposes of the Key Decision process the project is likely to have a value in excess of £100,000, therefore making it a Key Decision. As the Key Decision has not been advertised on the forward plan for the requisite period, a general exemption will need to be issued. The legal team have had sight of, but have not fully reviewed the tender documents as this is outside the scope of our remit. EDDC obtains its procurement advice from DCC procurement team under the supervision of EDDC's inhouse finance team. The tender sets out the terms upon which the supplier will be appointed and contains a template copy of the lease for the supplier to see prior to them making their bid. Some terms of the project are still being finalised by DCC however at the point that the tender goes live, all of the terms will have been finalised and published as part of the tender process including the lease terms. Our proposed amendment to the collaboration agreement as mentioned below, is to seek to allow EDDC to exit the project, if we are not content with the final agreed terms or documentation.

Lease

We have reviewed the draft lease proposed for the project. This is substantially set out in the same way as the previous DELETTI projects, which EDDC have been a part of. There are some terms that are not clear enough as currently drafted in our view, and we are seeking to resolve these issues with DCC currently.

Collaboration Agreement

The collaboration agreement is an agreement to be entered into by DCC and all of the partner authorities to confirm that we wish to be a part of the project and will work together to help deliver it. It sets out the different stages of the project and who will be responsible for each part. We have proposed some amendments to the document to clearly define 'minimum sites' and 'additional sites' and to state that the list of 'minimum sites' can be altered up to the point the procurement goes live. This would allow us more time to ensure we are happy with our list of minimum sites so as to mitigate the risk of needing to withdraw a site and trigger any potential liability to DCC. We have also made some further amendments to ensure that DCC take any action we require under the terms of the concession agreement as we will not be a party to that document. DCC will run the relationship with the supplier and this is all governed by the concession agreement. This amendment therefore allows us to inform DCC of any issues with the supplier and if the supplier is in breach of one of their obligations, DCC will need to take such action that is appropriate to

resolve it. In light of the above information regarding the lease agreement, we have also requested an amendment to allow EDDC to exit the project, if the lease terms cannot be agreed by us. These amendments haven't been formally accepted yet by DCC and the other partner authorities and an update on this will be provided at the Cabinet meeting.

Concession Agreement

This document is to be entered into by DCC and the chosen supplier, it does not require EDDC to be a party to it however the Lease does make direct reference to it and therefore we have undertaken a basic review of it. It contains the provisions and KPI requirements that the supplier will be bound by.

Due diligence

Due to the time constraints, the legal team have carried out a very light touch form of due diligence to ensure the sites are owned with a freehold title clear of any restrictive covenants that may prevent the land being used for an EV charging point. This process will need to be repeated when exact locations in the car parks are identified to ensure that there are no conflicting rights/ownership issues which might preclude the installation of the charging points. Any sites with concerns will be removed from the 'minimum' site list prior to the collaboration agreement being signed. Sites have been categorised into 'red, amber, green' to denote their level of risk or issues that may need resolving to enable their inclusion in the project.