

<b>DECISION-MAKER:</b>	<b>Cabinet</b>
<b>SUBJECT:</b>	<b>Introduction of Fees for Council's Public Electric Vehicle Chargers</b>
<b>DATE OF DECISION:</b>	<b>15<sup>th</sup> November 2022</b>
<b>REPORT OF:</b>	<b>Councillor Lisa Mitchell Cabinet Member for Housing and the Green Environment</b>

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<b>STATEMENT OF CONFIDENTIALITY</b>
None

<b>BRIEF SUMMARY</b>
<p>Southampton City Council (SCC) has used government grant money to install 46 publicly accessible electric vehicle chargers (EVC's) in its car parks and highways. We have become the largest single provider in the city and since their introduction we have offered these on a free to use basis to encourage the uptake of electric vehicles (EV's) and the benefits they offer in terms of reducing carbon emissions and improving local air quality.</p> <p>The EVC's are spread across 17 locations in the city and we now experiencing regular use as EV's are becoming more common place on our roads. It is understood that a free to use network is now not the main driver for EV uptake and SCC is now experiencing significant costs to maintain this service, driven by an increase in demand and rising energy costs. It is therefore proposed to introduce a competitive fee for usage that will contribute towards our energy consumption costs and other overheads whilst ensuring the chargers offer an attractive option for EV users.</p>

<b>RECOMMENDATIONS:</b>	
(i)	<p><b>To end the free to use offer at SCC’s public EV chargers and introduce a fee-paying service at an introductory rate of £0.45/kwh (inclusive of VAT) from the 12<sup>th</sup> December 2022.</b></p> <p>Future fees will be reviewed routinely and updated where necessary to ensure income is aligned with costs.</p>
(ii)	<p><b>For those chargers SCC currently provides for the dedicated use by SCC licensed taxi and private hire vehicles, to delegate authority to the Executive Director of Place, following consultation with the relevant Cabinet Member, to relax the current access restriction and/or introduce fees at a future date and when satisfied that this sector has sufficient charging infrastructure available to support its transition to EV’s.</b></p>
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	<p>SCC is under no statutory or grant agreement obligation to maintain a free to use service. When the council first introduced EV chargers in 2018, they were offered on a “free to use” basis for a limited period to incentivise early take up of EV’s in the city at a time when they were not as an attractive proposition to drivers as they have become today. The growth of the EV market is now accelerating in the UK, driven by the 2030 restrictions on the sale of new petrol and diesel vehicles. SCC has seen a seven-fold increase in energy consumption at its public chargers in 2022 whilst it has also experienced a four-fold increase in its energy costs since 2020. The cost for maintaining this service at current energy costs (October 2002) and consumption rates is approximately £13,505 per month. This is placing a pressure on SCC’s finances and restricting its ability to further invest into its charging infrastructure at a time when the priority needs to shift towards providing a service at a scale to satisfy future demand.</p>
2.	<p>Two rapid chargers are currently offered exclusively to SCC licensed taxi and private hire vehicles on a free to use basis as part of the council’s Local NO2 Plan and efforts to reduce taxi related emissions. Currently only 3 EV’s are licensed in the city and registered to use the chargers. Although SCC has been able to stimulate a significant shift towards lower emission hybrid vehicles in recent years, further effort is required to support this sectors transition to full EV’s and to realise their wider benefits. This is already underway as part of the Hants 2025 Project and would benefit from retaining these chargers on a free to use and exclusive access basis until there are further practical charging options available and the viability of running an EV is more widely accepted.</p>
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	<p><b>Do not implement a fee for use of SCC’s Public EV Chargers.</b></p> <p>The public charging network is currently using approximately 36,500 kwh of energy per month (measured July-September 2022) at an estimated cost of £13,505 (based on unit energy cost of £0.37 kwh from October 2022). There is capacity for further uptake and energy consumption.</p>

	The energy costs are forecast to increase to £0.45 kwh. If the use of our chargers remained at 36,500kwh per month, the cost to the Council would be £16,425per month (£197,100 per Anum) and would represent a significant pressure on council finances.
4.	<b>Introduce fees for charging at SCC Public EV Chargers at a different rate.</b> An introductory rate of £0.45 kwh (£0.38 kwh excluding VAT) would offer a commercially competitive rate that is comparable to other providers (see paragraph 35) and would contribute significantly towards energy costs (see paragraph 36). If this rate is not sufficient to recover costs it can be adjusted accordingly and in accordance with the Officer Scheme of Delegation. Any surplus generated after operator and energy costs are paid can be used accommodate any future increases in energy costs and support ongoing maintenance charging network. Future fees will be adjusted to ensure this pricing strategy is maintained and that may include raising or lowering fees in response to the market price that SCC can secure.
5.	<b>Shut down SCC's public EV charging service.</b> The widespread adoption of EV's is key component of the UK's Net Zero Strategy. As the increase in private and commercial EV ownership expands so does the need for charging these vehicles. Many users do not have ability to charge at home or work and there is an expectation that local authorities will play a key role in delivering the public charging infrastructure needed to satisfy future demand. SCC is currently the biggest provider of public EV charging in Southampton and will need to maintain this to ensure the transition to EV's is otherwise not hindered in the city.
<b>DETAIL</b>	
6.	When SCC first introduced EVC's in 2017, sales of Battery Electric Vehicles (BEV's) and Plug in Hybrid Vehicles (PHEV's) in the UK totalled 46,000 for the entire year, less than 2% of total new registrations. SCC introduced its chargers on a free to use basis to encourage the uptake of low emission plug in vehicles in the city and realise their benefits in terms of reduced emissions and an opportunity to improve local air quality.
7.	In November 2020 the UK government announced that the sale of new petrol and diesel cars and vans will be restricted by 2030 and all new cars and vans must be fully zero emission at the tailpipe from 2035. Between 2030 and 2035, new cars and vans can be sold if they have the capability to drive a significant distance with zero emissions (for example, plug-in hybrids or full hybrids). In response, manufacturers are now offering an increasing range of EV's that are becoming more affordable and offer better range.
8.	The cost of new EV's still currently remains higher that traditional petrol and diesel vehicles but running costs are often quoted as being lower and lifetime ownership costs are currently comparable. It is estimated that electric cars and vans will be cheaper to produce than combustion vehicles by 2027.
9.	In 2021 electric cars made up 18.5% of all new cars registered. As of the end of June 2022, there were more than 910,000 plug-in cars with approximately 510,000 BEVs and 400,000 PHEVs registered. During the period up to 2010-2015 the majority of the new registrations were PHEVs, but in 2020 with longer

	<p>range and greater model choice available as BEVs, this reversed with pure EVs now leading on monthly sales and annual market share. The growth of the EV market is expected to accelerate in the coming years as the UK prepares itself for the 2030 restrictions on new petrol and diesel vehicle sales. By the end of 2022, it's projected that, electric cars will outsell diesel and mild hybrid diesel. Petrol is set to remain the most popular fuel choice for used car buyers for the next few years, yet, while diesel is expected to become a niche choice over time as drivers opt for cleaner and cheaper plug-in alternatives.</p>
10.	<p>EV Chargers fall into four categories depending on their charging ability – Slow, Fast, Rapid and Ultra Rapid.</p> <ul style="list-style-type: none"> <li>• Slow chargers are generally home based and run directly of the 230V supply using the standard three pin plug at around 2.3kwh that would charge a car fully in 15- 20hrs or also specific home EV charges can be fitted that can offer around 3.6kwh and up to 7Kwh depending on supply and charger type – both will charge an EV a little quicker at about 12hrs for the 3.6kw and 8hrs with more power.</li> <li>• Fast Chargers are more commonly see as the standard carpark / roadside chargers and are predominantly 7Kwh but can also be up to 22kwh – A 7kwh charger would charge a vehicle from empty in about 7 hrs but are ideal for “top up” charging whist parking for a longer period.</li> <li>• Rapid Chargers are more powerful and would typically be DC 50kwh- 100kwh and offer a much quicker option. These tend to be more suited for a defined destination location as opposed to on street due to the cost of the unit and the infrastructure required. A rapid charger would typically charge a car from empty to full in about an hour or would top up as much as 80% in 20 minutes.</li> <li>• Ultra-Rapid Chargers are becoming a little more well-known and being generally available at “charging Hubs” and can give power up to 350kwh. These can charge bigger batteries and more powerful EV’s quickly. These could add range of 100 miles in only 10 minutes.</li> </ul>
11.	<p>SCC presently provides 39 fast chargers in its car parks and 7 on street (46 total). Two rapid chargers are also offered exclusively to taxi operators, as part of the Local NO2 Plan and efforts to reduce taxi related emissions.</p>
12.	<p>Commercial EV Charging operators have a raft of pricing options based upon the type and power available usually broken down to the 4 main types above. In essence you pay more for the faster charge as these units cost more to instal and maintain. In addition, operators frequently include the following in their pricing strategies.</p> <ul style="list-style-type: none"> <li>• Connection fees - Each time you connect to their network you pay a standing charge in addition to the energy you take.</li> <li>• Subscription – To gain access to a network of chargers that an individual operator has, they require you to pay a monthly subscription in addition to paying for the energy you take.</li> </ul>
13.	<p>Typically charging costs are in addition to any other parking charges and SCC proposes to apply this same convention. EV’s whether charging or otherwise have never been exempt from parking fees in SCC car parks but a concessionary season ticket is available. SCC proposes to introduce fees at a</p>

	single flat rate with no subscription or connection fees, offering customers a simple and transparent pricing scheme.
14.	Energy consumed by SCC's chargers is typically registered at a meter for a general site or area and their costs have been absorbed within the operating budget for these sites i.e. Parking Services and Highways, rather than any dedicated budget. However, energy consumption for individual chargers can be obtained from their operating systems and this suggests they are currently using approximately 36,500kwh of energy per month (measured July-September 2022). Currently the cost of energy equates to £13,505 per month.
15.	There has been a significant spike in use of SCC's chargers since the turn of the year. and energy consumption has increased seven-fold (see appendices). This can be attributed in part due to the lifting of COVID restrictions and the increasing numbers of EV's on our roads. But it has become evident that our free to use model has become increasingly more attractive as the cost of home charging and commercial charging services has increased over this period. We are also aware that commercial fleet operators are now using our facilities, and this will also be contributing to the uplift
16.	Although the uptake in EV's by city businesses should be applauded, this commercial scale of use is not in the spirit of our original "free to use" offer and some car drivers have expressed their frustration of being blocked from chargers due to the presence of commercial vans. SCC parking Services are in the process of initiating a consultation that would enable them to restrict commercial vehicles accessing our car parks as one way of managing the issue.
17.	It is believed that in many cases the free to use offer is attracting a significant amount of opportunistic use and other, viable charging options (like home and workplace charging) are being overlooked in preference for our fully subsidised offer. It is anticipated that the introduction of fees is likely to normalise behaviours and could alleviate the more immediate problems caused by larger commercial vehicles. Operating models that offer chargers to commercial users for overnight charging only, are being considered as a longer-term solution.
18.	The introduction of a fee-paying service for our facilities is not considered likely to otherwise impair the local uptake of electric vehicles in the city. Free to use services are becoming increasingly scarce. These are generally subsidised by major retailers with a view to gaining and maintaining customer loyalty and offer a limited charging opportunity due to time restrictions and charging speeds. It is anticipated that we may experience a short-term reduction in usage as behaviours are normalised and a switch to other charging options occurs. It is not expected the introduction of fees on SCC's network will have any significant impact on EV uptake. It is expected that the trend for EV's will continue to increase at pace and demand for our charging network to follow in the medium term.
19.	The media have recently been reporting that the costs of fuelling an EV against a Petrol or diesel equivalent are narrowing and could be similar. These figures are generally based upon using the most expensive charger options (i.e., the Rapid and Ultra Rapid chargers) and not the Fast (7 – 22kwh) chargers that

	<p>SCC generally have. Rapid type chargers represent the most expensive part of the market and would typically be used to top-up vehicles on long journeys rather than being the primary means of charging for the majority of vehicles.</p>															
20.	<p>The technology within all the charger units supports payments already so no additional software or hardware is required to initiate the fee charging. The back-office functions can be easily set and managed to facilitate fee taking and the existing Charge Point Operator will be responsible for collecting all payments and returning to SCC, less an agreed commission.</p>															
21.	<p>A proportion of this income will be journaled internally to cover energy costs and ensure metered costs paid by specific service areas are accounted for. This will be managed by SCC's Energy Team.</p>															
22.	<p>SCC propose that fees will only be introduced after a period of at least 17 days' notice and will be supported by a communications campaign to ensure that all users are aware of the changes in use, including contact with Smart Cities Card Users and broader details across all our Social Channels, on-site signage (at all public carparks and on street locations with chargers) and visual messages on the chargers themselves.</p> <p>We will be clear to explain the reasons why we are introducing the fees to include the following message:</p> <ul style="list-style-type: none"> <li>- Free EV Charger use was introduced as a limited trail trial to encourage early uptake of EV's.</li> <li>- SCC have placed 46 Public chargers across the city and are seeing a significant uplift in use as EV numbers increase.</li> </ul> <p>Our Fees will reflect our current energy costs and be set at a typical market price and support future investment and on-going maintenance.</p>															
23.	<p>Public charger costs have risen steeply in recent months in response to energy price increases. But petrol and diesel prices have also increased and the cost per mile of an EV verses a similar sized and powered petrol or diesel remains attractive.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Petrol</th> <th style="width: 15%;">Diesel</th> <th style="width: 25%;">Battery Electric – Using public rapid chargers on a non-subscription basis @ 63p per kWh</th> <th style="width: 25%;">Battery Electric – Using fast chargers on a non-subscription basis @ 45p per kWh</th> <th style="width: 20%;">Battery Electric – Using home charger @ 35p per kWh (energy price guarantee 1/10/2022)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>19p</b></td> <td style="text-align: center;"><b>21p</b></td> <td style="text-align: center;"><b>18p</b></td> <td style="text-align: center;"><b>13p</b></td> <td style="text-align: center;"><b>10p</b></td> </tr> <tr> <td colspan="2">As reported by RAC Price Watch Sept 2022</td> <td colspan="2">Based on Shell UK tariff 1/8/2022 (the largest UK operator) and vehicle efficiency of 3.5 miles per kWh (as used by RAC Price Watch).</td> <td>Based on energy price guarantee 1/10/2022 and vehicle efficiency of 3.5 miles per kWh (as used by RAC Price Watch)</td> </tr> </tbody> </table>	Petrol	Diesel	Battery Electric – Using public rapid chargers on a non-subscription basis @ 63p per kWh	Battery Electric – Using fast chargers on a non-subscription basis @ 45p per kWh	Battery Electric – Using home charger @ 35p per kWh (energy price guarantee 1/10/2022)	<b>19p</b>	<b>21p</b>	<b>18p</b>	<b>13p</b>	<b>10p</b>	As reported by RAC Price Watch Sept 2022		Based on Shell UK tariff 1/8/2022 (the largest UK operator) and vehicle efficiency of 3.5 miles per kWh (as used by RAC Price Watch).		Based on energy price guarantee 1/10/2022 and vehicle efficiency of 3.5 miles per kWh (as used by RAC Price Watch)
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24.	<p>In addition, EV ownership also offers lower service and maintenance costs, reduction in Road Fund License (Road Tax), Congestion Charges and the longer life expectancy of the drive train and components (with the reduction in</p>															

	moving wear parts). A typical modern petrol engine is made up of approximately 2,000 components whilst an EV has 20, so significantly less to wear out or be replaced during its life.
26.	<p>SCC has offered other incentives to EV drivers including;</p> <ul style="list-style-type: none"> <li>• A 90% discount on any city centre season ticket for electric vehicle users</li> <li>• Owners of EV's living in local council areas can currently cross the Itchen Bridge free of charge with a SmartCities card</li> </ul> <p>Like our free to use chargers these offers were introduced to encourage the early adoption of EV's in the city and so were not intended to be retained indefinitely. They are routinely reviewed and a decision regarding their managed withdraw will be made independently of the decision regarding the introduction of fees for chargers. Further details are provided an appendix 5</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
27.	SCC chargers use two back-office systems managed by MER and Shell Recharge. These are common operators across the UK's public EV charging network. Users gain access via an App, card or fob (depending on preference) and must open an account which involves registering a payment card. Where a fee for charging applies, the operators debit the user's account according to their terms and conditions for each kwh supplied. For this service the supplier takes a commission of 10% of the income generated.
28.	Fees could be introduced as early as 12 <sup>th</sup> December 2022, allowing sufficient time to complete an appropriate level of internal engagement prepare the back-office systems and communications plan to ensure all users are given due notice of the change.
29.	Over the past three months we have been delivering an average of circa 36,500kwh of energy to our charger network per month, at a cost rate of £0.20 p/kwh and an estimated cost of approximately £7,300 per month (£87,600 per annum) and it is estimated to rise to c. £13,500 per month due to increased energy costs. As charging is free to the user, this cost has fallen on the council, and the total cost for 2022/23 up to end of August has been approximately £39,000.(January 2022 6,969 kwh, February 2022 7,357 kwh, March 2022 17,899 kwh, April 2022 33,500 kwh, May 2022 31,636 kwh, June 2022 29,440 kwh, July 2022 36,308 kwh, August 2022 33,455 kwh)

30.	<p>SCC is experiencing a large rise in the cost of energy. From October 2022 we could pay up to £0.37kwh for our highest rates. The table below shows a rise in energy costs to a possible £0.45 kwh in 23/24.</p> <table border="1" data-bbox="260 320 1026 611"> <thead> <tr> <th data-bbox="260 320 555 371">Financial Year</th> <th data-bbox="555 320 1026 371">£/kWh</th> </tr> </thead> <tbody> <tr> <td data-bbox="260 371 555 423">2020-21</td> <td data-bbox="555 371 1026 423">£0.15 – mean</td> </tr> <tr> <td data-bbox="260 423 555 474">2021-22</td> <td data-bbox="555 423 1026 474">£0.20 – mean</td> </tr> <tr> <td data-bbox="260 474 555 557">2022-23</td> <td data-bbox="555 474 1026 557">£0.37 – “worst case” rate from October 2022</td> </tr> <tr> <td data-bbox="260 557 555 611">2023-24</td> <td data-bbox="555 557 1026 611">£0.45– Forecast rate</td> </tr> </tbody> </table> <p>Actual costs can vary from site-to-site dependent upon distribution costs, time of use and whether the Climate Change Levy applies. For previous years the mean rate can be quoted. For calculating ongoing costs in 2022/23, a “worst case” unit cost for energy offers a conservative estimate. In reality, actual costs maybe lower and will vary according to usage across the network.</p>	Financial Year	£/kWh	2020-21	£0.15 – mean	2021-22	£0.20 – mean	2022-23	£0.37 – “worst case” rate from October 2022	2023-24	£0.45– Forecast rate
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31.	<p>If the forecast unit energy costs of £0.45 kwh were realised in 2023/24 and our current level of use remains at 36,500 kwh costs could reach circa £16,425 per month (£197,100 per Anum).</p>										
32.	<p>Whilst we are experiencing an unprecedented upsurge in energy costs, pricing of public chargers at present tends to reflect the price the supplier has current access to with their projected profit or margin added, so at present a representative cost of £0.30-£0.45/kwh is the norm but prices are rising daily and an expected £0.45/kwh to £0.50/kwh is becoming thought of as a competitive daily rate on 7kwh-22kwh (Fast) public chargers with a rate of £0.65-£0.75/kwh) for 50kwh- 100kwh Rapid chargers. Shell UK is the largest provider of public EV chargers and currently offers its fast chargers at £0.45/kwh and its rapid chargers at up to £0.65/kwh. SCC could match the lower rate (45p/kwh) for both its fast and rapid chargers whilst still recovering current and immediately foreseeable energy costs and management costs (including VAT and Charge Point Operator commission for collecting fees).</p>										



33. Supplies of electric vehicle charging through charging points in public places are charged at the standard rate of VAT. A charge to the user of £0.45 p/kwh for EVCs in 2022/23 will result in income net of VAT of £0.375 p/kwh. It is forecast that for this period energy will cost £0.37 p/kwh based on a 'worst-case scenario' estimate. Based on estimated usage of 36,500 kwh per month the table below shows the net cost of EVCs for the financial year 2022/23 after charging is introduced.

For the period of December 2022 to March 2023 (once a charge is being made) the forecast net cost will be reduced to around £6,000 for these EVCs from £55,000. This reduced cost will need to be funded from the general fund if it is not recovered through charging for use.

	2022/23	
	Dec 22 – Mar 23	Monthly
Estimated kWh Usage	146,000	36,500
Forecast Income @ £0.375 p/kwh(excluding VAT	£54,750	£13,688
Less 10% Delivery partner charge (based on net income	£5,475	£1,369
<b>Net Forecast Income</b>	<b>£49,750</b>	<b>£12,319</b>
Cost of energy @ £0.37 p/kwh	£54,020	£13,505
Cost of Free Use Chargers for taxis	£1,147	£287
<b>Total Forecast Cost of EVCs</b>	<b>£55,167</b>	<b>£13,792</b>
<b>Net Forecast Cost</b>	<b>£5,892</b>	<b>£1,473</b>

To breakeven the average cost of energy would need to reduce to £0.33 p/kwh or the price charged to users would need to be £0.50 p/kwh inc VAT (£0.42 p/kwh excl. VAT).

34. In 2023/24 based on the estimated cost of energy of £0.45 p/kwh and assuming the same usage of 36,500 kwh, the charge to users would need to increase to £0.55 p/kwh inc VAT (£0.45 p/kwh excl. VAT) to break even.

35. Costs related to concessions offered as incentives to encourage use of EV's (appendix 6) have been ignored in all scenarios as they are funded separately.

36. It is proposed that income generated and actual energy costs are monitored and routinely reviewed to determine if income is sufficient to recover actual energy costs. In the event that a deficit is likely to be realised then fees can be adjusted accordingly to ensure no ongoing losses and even recover losses

	<p>already experienced. Similarly, fees can be lowered if a surplus is expected. A surplus would help provide a buffer to accommodate any future increases in energy costs (that may arise before we can adjust the fee to the appropriate level) and assist support ongoing maintenance the charging network.</p> <p>Amendments to the fees will be made in accordance with the Officer Scheme of Delegation with account taken of the ongoing monitoring of the market rate SCC incurs versus amount charged and the forecast deficit or surplus resulting.</p>
37.	<p>The cost of supplying energy to the two Taxi only chargers, equates to less than 5% of the total energy consumption across the public charging network (1423kwh monthly average vs total monthly average of 36,500kwh in period June-August 2022). These levels of consumption can be covered by the fees received whilst making no material effect on the unit price charged public users. As described in paragraph 51 this arrangement will be subject to regular review, considering the number of eligible vehicles, other charging options available and the cost of maintaining the offer.</p>
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
38.	<p>The Council has the power to introduce and charge for EV connection points under s.1 Localism Act 2011. SCC has no obligation to offer a free to use EV charging service. Grants used to support delivery of the network or, the Local NO2 Plan and associated Ministerial Direction, do not include any conditions relating to the fees charged for their use.</p>
<b><u>Property/Other</u></b>	
39.	<p>None. All chargers are sited on SCC land holdings in public car parks or on Highways land. The locations are listed in the appendices.</p>
<b><u>Other Legal Implications:</u></b>	
40.	<p><b>Further rises in energy costs could occur and income received may not be sufficient to cover cost.</b> Income and costs will need be monitored and reviewed <u>every quarter</u> to ensure that fees are suitable and sufficient to cover future costs. Actual fees can be decided and revised expediently in accordance with the Officer Scheme of delegation. The proposals are fully in accordance with the provisions of the Human Rights Act 1998, the Crime &amp; Disorder Act 1998 and the Equalities Act 2010.</p>
<b>RISK MANAGEMENT IMPLICATIONS</b>	
41.	<p><b>The introduction of fees triggers a reduction in use of chargers and anticipated incomes are not realised.</b> To date capital costs for installing SCC's EV charging network and providing maintenance contracts have been covered by UK government grant funding. As such, fees need only recover our energy costs and a service charge for fee collection and any reduction in use would not affect our ability to cover costs.</p>
42.	<p><b>The introduction of fees triggers a reduction in use of chargers and anticipated incomes are not realised.</b> It is anticipated that we will initially experience a reduction in use as consumers are currently taking full advantage of the free to use offer – which is particularly attractive whilst commercial charge point tariffs and home charging energy costs rise. Demand is then likely to be</p>

	restored as the proportion of EV's on the road continues to increase. To date capital costs for installing SCC's EV charging network and providing maintenance contracts have been covered by UK government grant funding. As such, fees need only recover our energy costs and a service charge for fee collection. So any reduction in use would not affect our ability to cover costs.
43.	<b>The introduction of fees impairs local uptake of EV's.</b> Paragraph 24 highlights that all EV charging options still remain competitive compared with petrol and diesel costs. It is expected that the trend for EV's will continue to increase at pace, driven by the UK ban on petrol and diesel vehicles and increasingly attractive options provided by manufacturers.
44.	<b>In order to recover our costs, SCC fees becoming prohibitively expensive, and our network no longer offers a viable option for EV drivers.</b> As the network does not need to recover capital or maintenance costs in the short to medium terms there is some confidence that we can maintain a competitive service. A concessions/partnership model is being assessed to support future investment and fees would naturally be aligned with the EV charging market.
45.	<b>Criticism for use of external grant funding to support delivery of the EV chargers then drawing a revenue income for their use.</b> There is no obligation under any of the grant funding received to maintain a free to use model and although installations costs have been supported it is not financially viable for SCC to support ongoing costs indefinitely.
46.	<b>Criticism for having excessive fees.</b> Unit costs will be benchmarked against other public EV charging providers to ensure they are competitive and will be reviewed regularly.
47.	<b>Accusation of profiteering.</b> Costs and incomes will be reviewed regularly, and income will be used to recover the cost of energy use and for maintenance, management and development of the network for the benefit of customers.
48.	<b>The taxi and private hire sector needs specific support to their transition to EV's.</b> SCC currently maintains two free to use rapid chargers for the dedicated use by SCC licensed taxi and private hire vehicles and proposes to maintain this arrangement until the sector is supported by more charging options. It must be acknowledged that SCC is under no obligation to maintain a free to use service, is unlikely to have the financial resources to maintain it indefinitely and should not be subsidising this sector when financially viable and accessible options become available. Currently only 3 EV's are licensed in the city and registered to use the chargers and short-term costs can be absorbed (see paragraph 36 and 39). It is anticipated that SCC's Hants 2025 Project can provide an additional 6-8 rapid chargers in 2023 and demonstrate the viability of operating an electric taxi or private hire vehicles with its "try before you buy" leasing and business case scheme. These outcomes would then prompt a review of the arrangements for the existing rapid chargers.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
49.	<b>Efforts to maintain and enhance the cities EV charging infrastructure are consistent with;</b>

	<ul style="list-style-type: none"> <li>• Southampton City Council Green City Plan 2030 and the ambition to “develop a growing network of electric vehicle charging points across the city....”</li> <li>• Southampton City Strategy 2015- 25 by supporting a good transport infrastructure.</li> <li>• Southampton’s Transport Strategy 2040 and a focus on “encouraging greater a publicly accessible network</li> <li>• Southampton City Council, Medium Term Financial Strategy 2022/23 – 2025/26, section 1.4.3. Savings - The Council’s approach continues to be on driving through efficiencies and cost reductions, together with delivering savings through income generation with a view to protecting front line services and Council priorities.</li> </ul>
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<b>KEY DECISION?</b>		<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>		All areas
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	Inventory of SCC’s dedicated taxi/private hire vehicle and public EV chargers	
2.	Electricity Use and Number of Charge Sessions Feb 2018 to Aug 2022	
3.	SCC Public EV charger use January – May 2022 by location	
4.	Total usage of SCC public EV charger 2018 to 2022	
5.	Equality and Safety Impact Assessment	
6.	SCC benefits for EV drivers	

**Documents In Members’ Rooms**

1.	None
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**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	Yes
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**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	No
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**Other Background Documents**

**Other Background documents available for inspection at:**

<b>Title of Background Paper(s)</b>	None
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