

Neighbourhood Services Committee



13th January 2022

Title	<i>Electric Vehicle Charging Points in Car Parks</i>
Purpose of the report	To note
Report Author	<i>Bruno Barbosa – Parking Services Operational Manager</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>Not applicable</i>
Corporate Priority	Clean and Safe Environment Financial Sustainability
Recommendations	Committee is asked to: <i>Note the report</i>
Reason for Recommendation	<i>Not applicable</i>

1. Key issues

- 1.1 In a context of the United Kingdom applying a ban on the sale of new vehicles that are not at least partially electric and rechargeable from 2030, and a requirement for all new vehicles sold in the UK from 2035 not being powered by fossil fuels, all parking operators must consider adapting their parking offer to include some form of option for charging of vehicles in their car parks. This is particularly pressing since one of the main factors still preventing mass adoption of electric vehicles is the lack of public charging facilities and range concerns.
- 1.2 Spelthorne Borough Council currently has 8 charging points in its whole regulated car park estate, which amounts to 0.004% of all regulated spaces in Staines-upon-Thames, and 0.003% of the total regulated spaces by Spelthorne in the borough. Of these 8 spaces, 2 are in a car park that is currently closed to the public (Tothill MSCP), so in effect we only provide 6 charging points for vehicles (options are being considered regarding the relocation of the charging assets to a location where they can be more immediately usable)
- 1.3 Electric vehicle charging points are heavily dependent on infrastructure, often requiring an upgrade of the current provision and an associated cost with the Electricity provider.
- 1.4 Funding options are varied in nature, ranging from self-funding from the property owner, to part-funding using specific grants from government, to zero

cost by means of leasing land to a supplier who then exacts the income themselves from the exclusive use of that land.

- 1.5 Spelthorne Borough Council fully funded the existing charging points and absorbing the full administrative costs as well of operating and maintaining the terminals, whilst any use of the chargers bears a fee to the user, which Spelthorne uses towards compensating for the operating costs and the capital investment for their installation.
- 1.6 Government grants have specific conditions, and the only one applicable currently provides up to 75% funding of the overall costs if there is a residential element to the parking asset. This is not a guarantee (application based and with a limited national funding pool of £20m for 2021 and 2022), and Government specifically advise that the grant is aimed at parking on street, but it does allow applications that meet very specific criteria.
- 1.7 Current experience with the self-funding approach has not been positive overall, with the main issues arising from the limited income generated by the use of the charge points and the significant administrative burden of its management and maintenance.
- 1.8 A feasibility study was commissioned by the Sustainability Officer, with a particular focus on exploring the capital depreciation and return on investment based on different funding approaches. With a very modest number of total new charging points proposed in the study (total of 16 across 6 car parks), the estimated return on investment (point at which the income generated covers the full capital investment) on a fully funded model is on average 9 years.
- 1.9 Last quote requested for a charging station was around £35k for the charger and the associated infrastructure (capable of charging up to 3 vehicles at the same time). This is mostly in line with the current market prices, so a rough estimation of total capital investment necessary can be calculated by multiplying the number of spaces by one third of £35k.
- 1.10 The current challenging circumstances around developments in Spelthorne, or lack thereof, make it difficult to envisage interest from investors or providers that would be prepared to self-fund, since it would require significant confidence on the interest and income to be generated by the spaces, as well as requiring long leases to achieve the return on investment. Currently Spelthorne Borough Council is unable to outline any area where this lease approach is viable.
- 1.11 If Spelthorne Borough Council fails to enhance its electric vehicle charging facility provision to its customers in the near future, there will be an inevitable loss of customers to competitors that have better or more convenient provisions.

2. Options analysis and proposal

- 2.1 Since this report is informative in nature only, the following points are merely considerations to be put forward to the Committee so a consensus can be achieved in the short term on the future of this provision in Council car parks:
 - (a) As means to address the emerging need for electric charging facilities, the utmost priority is the encouragement and (if legally possible) requirement for existing and future residential properties to have a

minimum provision set, whether through national law, or through local planning terms (e.g., a Masterplan).

- (b) Spelthorne Borough Council should consider the creation of a formal strategy that sets a clear goal in percentage of parking spaces in the borough having electric vehicle charging facilities available, with the possibility of variations depending on the purpose of the spaces (residential, commercial and public).
- (c) Given the scale of the shift in habits that are expected within the next 10 years, regardless of capital availability, at least 20% of all public parking spaces need to have some sort of electric vehicle charging facilities, otherwise the national and international policy approach is likely to systematically fail its intended goals.
- (d) In a context of lack of capital investment availability, and reduced alternative self-funding options, authorities are increasingly reliant on private funding models to enhance the electric charging provision, but this relies on fostering good relationships with private firms, and a planning context that gives them confidence that their investment is secure and provides return on investment through long leases.

3. Financial implications

3.1 This report includes no key decision or consideration that bears a set cost to agree or income to project, but the following are relevant financial considerations/notions to note:

- (a) If Spelthorne was to convert, for example, 20% of its regulated parking spaces into spaces where electric vehicles can charge (around 500 spaces in total), a fully funded capital investment of roughly £6m would be expected, and the return on the investment could take as long as 10 years.
- (b) Total budgeted income from Parking is currently £1.931m, so a reduction in demand of around 20% (which is the reasonable impact of loss of customers due to lack of electric vehicle charging facilities after 2030) is estimated to equal a loss of around £390k in a year, amounting to around £3.9m across 10 years (this is a merely a rough projection and does not take into consideration variables such as inflation).
- (c) In the medium term, if the Government policy achieves its goal of 100% of vehicles in the UK being fully electric, then 100% of public parking is likely to require electric charging facilities, and our current estate of 2469 regulated parking spaces would require a capital investment of around £30m to achieve that.

4. Other considerations

4.1 No other considerations at this stage, since this report is only to note.

5. Equality and Diversity

5.1 This report is merely to note, and no measurable impacts on Equality and Diversity are noted. The existence or enhancement of electric vehicle charging provision has the potential to have positive impacts on mobility and accessibility.

6. Sustainability/Climate Change Implications

- 6.1 All parking provisions aim to improve sustainability and impacts on climate, by encouraging healthy transport habits and discouraging behaviours considered to have a negative impact on the environment. We currently have a limited provision of electric vehicle charging points in one of our car parks, but remain committed to explore all options to increase that provision.

7. Timetable for implementation

- 7.1 Not applicable at this stage since the report is only to note.

Background papers: There are none.

Appendices:
There are none