

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 June 2024

Portfolio:	Policy and Resources
Subject:	Electric Vehicle Charging Tariff for Fareham Live Car Park
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Promote Economic Development Respond to Climate Change and Protect the Environment Responsive, Inclusive, and Innovative Council

Purpose:

To brief the Executive on the Electric Vehicle Charge Points (EVCP) being installed at the new Fareham Live car park and to adopt a pricing strategy to be used to set the charging tariff offered to customers.

Executive summary:

As part of a £30m investment by the Council into the regeneration of the town centre, Osborn Road multi-storey car park is currently being demolished and will be replaced by a new surface car park on the existing site. The new car park will be called Fareham Live car park. Four of the parking bays at the Fareham Live car park will be for electric vehicles only and will have Electric Vehicle Charge points (EVCP) installed. In early 2024 the Council appointed Joju Charging to supply, install, and operate the EVCPs.

The EVCPs use a back office system called Hubeleon. The Hubeleon system has an app which visitors can download to their device. Visitors can use the app to pay for using the chargers. Other payment methods will be available and can be used instead of the app, such as contactless payment, fuel cards, zap maps etc.

As the Council owns the EVCPs being installed it can choose the charging tariff consumers receive. Therefore, two pricing strategies have been put forward for consideration. These are:

- Cover direct costs only (consists of installation and future renewal capital costs, Operation and Maintenance contract costs, bank charges, electricity bill costs, and contribution to FBC overheads to manage the EV spaces);
- Price at a 10% mark-up above direct costs.

Each strategy yields varying levels of revenue and can be found in Table 1 in the Executive Briefing Paper.

The Council has the opportunity to price at the bottom of the market average price while still covering its direct costs. This strategy would help make the EVCPs at Fareham Live car park attractive to visitors and encourage significant use, supporting both the Fareham Live venue and the wider town centre.

The current Off-Street Parking Places (Amendment 8) Order ensures that only electric vehicles connected to a charge point can use the electric vehicle bays provided.

Recommendation:

It is recommended that the Executive:

- (a) Approves the introduction of an electric vehicle charging tariff for Fareham Live car park, which will be added to the Council's Fees and Charges listings;
- (b) Agrees pricing strategy A) (as set out in the Executive Briefing Paper) to be used to set the charging tariff;
- (c) Due to price volatility, agrees that delegated authority be given to the Director of Planning and Regeneration in consultation with the Section 151 Officer, to adjust the charging tariff in line with the agreed pricing strategy, if and when necessary; and
- (d) Receives a further report which reviews the first 12 months of usage to inform whether further EV chargers are to be fully installed.

Reason:

To introduce an electric vehicle charging tariff for customers of the electric vehicle charge points at the new Fareham Live car park.

Cost of proposals:

There is a minimal additional cost associated with the proposals set out in this report to enable contactless payments, and these will be reflected in the total capital costs of the overall Osborn Road/Fareham Live car park project.

The proposed minimum tariff should repay all the identified direct costs of the electric vehicle charge points, including a self-financing approach to renew the infrastructure after seven years.

Appendices: None

Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	03 June 2024
Subject:	Electric Vehicle Charging Tariff for Fareham Live Car Park
Briefing by:	Director of Planning and Regeneration
Portfolio:	Policy and Resources

INTRODUCTION AND BACKGROUND

1. The 16 May 2022 Executive considered a report on the regeneration of the town centre. As part of the report, a proposal to replace the outdated and underused Osborn Road multi-storey car park with a surface car park that would provide modern sized spaces, electrical vehicle charging points and attractive landscaping was approved.
2. A progress report on the car park project was presented to the Executive on 3 July 2023. The Executive then approved a budget of £2.5m for the scheme at their meeting on the 18 September 2023. The cost of demolition and the provision of the new 132 space surface car park is to be funded through future Community Infrastructure Levy (CIL) receipts. The car park was closed to the public and handed over to the appointed contractors Neilcott Construction at the beginning of January 2024.
3. Following a period of consultation, the Executive Member for Health and Public Protection approved changes to the Borough's Off-Street Parking Places order on the 8 January 2024. These changes included the enforcement of Electric Vehicle (EV) spaces in the new car park, so that only electric or hybrid vehicles plugged into a charge point could park there.

ELECTRIC VEHICLE CHARGING PROVISION

4. Work on the new surface car park is progressing well and it is due to open later this year. Four of the parking bays will be for Electric Vehicles (EV) only. Each EV bay will have access to a 22kW Electric Vehicle Charge Point (EVCP).
5. Users of electric vehicle bays will be required to pay for the electricity they draw when charging, in addition to any prevailing parking charges set for that car park. This is a new charge for the Council and needs to be approved for inclusion in the Council's Fees and Charges listings.
6. There will also be 12 passive EVCPs installed. A passive EVCP is where the cabling has been laid but the head unit has not yet been installed. The benefit is that the number of chargers can then be increased easily to meet increasing demand if this materialises.

Until a charger head unit is installed the parking spaces will be available to any user.

7. In early 2024 the Council appointed charge point provider Joju Charging. The EVCPs will be funded by the Council, but Joju will supply and install the EVCPs at the car park. The Council also has an Operation and Maintenance (O&M) contract in place with Joju Charging which covers any repairs costs arising.

CONSUMER INTERFACE

8. The EVCPs use a back office system called Hubeleon. The Hubeleon system has an app which visitors can download to their device. Visitors can use the app to pay for using the chargers. The cost of the Hubeleon system is covered under the Council's O&M contract with Joju Charging.
9. Other payment methods will be available and can be used instead of the app, such as contactless payment, fuel cards, zap maps etc. There will be bank charges incurred in collecting the income from many of the payment methods.

BUSINESS CASE

10. When consumers charge their vehicle using an EVCP they pay a pence per kilowatt hour (p/kWh) rate for the electricity they consume. As the Council owns the EVCPs being installed it can choose the p/kWh rate that customers receive.
11. The average market p/kWh rate offered varies significantly depending on the type of charger. For example, a 50kW rapid charger has a higher electricity p/kWh than a 22kW charger. As the chargers being installed at the new car park will be 22kW the Council needs to be most aware of the market rate offered for these types of chargers. This is to check that the pricing strategy does not deter people from using the EVCPs and results in these parking spaces staying empty in a prime parking location. The average p/kWh market rate for a 22kW charger in the locality is currently between 45p – 50p per kWh. This is based on market research and information provided by charge point providers.

Key Assumptions

12. Several assumptions were used to formulate the pricing strategies set out in this report. The key assumptions are set out below:
 - Lifespan of an EVCP is seven years;
 - The four chargers receive collectively a total of ten hours per day usage at 22kW for 365 days a year;
 - Long-term self-financing capital costs are recouped over the lifespan of the charger by an equal amount each year;
 - Electricity costs are based on the yearly rate set by the Council's supplier at the start of the financial year.

Pricing Strategies

13. Two pricing strategies for the use of the EVCPs are set out below:

- A) Cover direct costs only (consists of installation and future renewal capital costs, Operation and Maintenance contract costs, bank charges, electricity bill costs, and contribution to the FBC overheads to manage the EV spaces);
 - B) Price at a 10% mark-up above direct costs.
14. The Council's Operation and Maintenance contract with Joju reduces in cost after year 1 and therefore, the pricing tariff set may need to be different in year 2.
15. Table 1 below presents indicative year 1 charging tariff prices and revenue above direct costs associated with each strategy:

Table 1: Pricing Strategies

		p/kWh	Revenue above direct costs per annum
Strategy	A) Cover direct costs only	45	£0
	B) Price at a 10% mark-up above direct costs	50	£4,190

16. Pricing Strategy A) provides the Council with the opportunity to price at the bottom of the market average price while still covering direct costs. This strategy would help make the EVCPs at Fareham Live car park financially attractive to visitors and encourage significant use, and is therefore the recommended pricing strategy. However, the Executive may wish to consider and approve the alternative pricing strategy outlined.
17. Due to the volatility of the electricity and other costs, it is recommended that delegated authority be given to the Director of Planning and Regeneration, in consultation with the S151 Officer, so that the charging tariff can be changed if necessary to ensure that it stays in line with the adopted pricing strategy.
18. It is considered appropriate for the Executive to receive a further report following 12 months of usage of the EVCP's at the Fareham Live car park. This will inform any further decision as to whether any further charger head units are to be installed so that more parking bays can be used for EV charging, and advise on the further budgetary provision required.

PARKING ENFORCEMENT

19. The current Off-Street Parking Places (Amendment 8) Order has restrictions in place regarding the use of EV bays at Fareham Live car park. The order states that 'only Electric Vehicles that are connected to a Charge Point may wait in bays marked for the charging of Electric Vehicles.'
20. This provides flexibility as there is no maximum dwell time meaning that users can stay connected to the EV charger even when their vehicle has reached full charge and is no longer drawing an electrical current. This flexibility is particularly pertinent to visitors to Fareham Live. However, the usage of the EV bays will be kept under review to ensure

an appropriate 'parking turnover' of EV spaces is achieved.

ENVIRONMENTAL CONSIDERATIONS

21. The provision of public EV charging points reflects the Council's leadership role, facilitating the wider take up of low carbon vehicles within the Borough.

CONCLUSION

22. This report sets out the EVCP offer at the Fareham Live car park and presents two pricing strategies for consideration and determination by the Executive in advance of the opening of the new car park and EV facility.

Enquiries:

For further information on this report please contact Alex Jolley (01329 824470)