



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 07 FEBRUARY 2023**

**SUBJECT: ELECTRIC VEHICLE INFRASTRUCTURE FUND STRATEGY AND
EXPANSION PLAN**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of proposals for the future operation and expansion of the publically available electric vehicle charging infrastructure in Moray. This report covers publically available charging infrastructure only. The decarbonising of the Moray Council's fleet and the requirements for supporting electric vehicle infrastructure to service the fleet will be the subject of a separate report to this Committee.
- 1.2 This report is submitted to Committee in terms of Section II (F) (17) of the Council's Scheme of Administration relating to traffic management.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) notes that the availability of future grant funding for the expansion of the electric vehicle charging infrastructure is subject to having an approved Strategy and Expansion Plan which meets the criteria set by Scottish Government; and**
- (ii) approves the draft Electric Vehicle Infrastructure Strategy and Expansion Plan attached as Appendix 1 and grant delegated authority to the Head of Environmental and Commercial Services to approve the final version following any feedback received from Scottish Futures Trust and Transport Scotland.**

3. BACKGROUND

- 3.1 The Scottish Government's Programme for Government includes a commitment to phase out new petrol and diesel cars and vans across Scotland by 2032. Electric vehicles are, at this time, the main solution to providing mobility without the use of fossil fuels and are widely expected to

continue to play an important role in achieving reductions in transport related emissions.

- 3.2 This report seeks approval of a draft Strategy and Expansion Plan for the publically available electric vehicle charging infrastructure in Moray, which in summary:
- Identifies locations for the expansion of the publically available charging network which would better meet future demand;
 - Highlights that at new and existing charging sites, the council retains ownership of connections to the grid; and
 - Recommends that a concession based approach to the future operation of the Council owned network is followed where private suppliers/operators own and operate the above ground infrastructure.
- 3.3 To date the provision of Council operated publically available electric vehicle charging infrastructure in Scotland has, in the main, been through an annual Local Authority Improvement Programme (LAIP) grant from Scottish Government (SG). Since 2014, twenty six chargers (each with two charge posts) have been provided in Moray through the utilisation of this grant, with a further two chargers as part of the Low Carbon Travel and Transport funding for the Speyside Low Carbon Hub.
- 3.4 There has been no grant funding for the operation and maintenance of the publically available chargers. The newer chargers are still covered by their 5 year warranty, which was paid for through the LAIP grant as part of the installation costs. However, costs associated with the maintenance of the older chargers, which are now outwith their original 5 year warranty, are met through revenue budgets. Whilst there is some income from the chargers, which can offset the maintenance costs, not all chargers are commercially viable and as the assets age, maintenance costs will increase.
- 3.5 In January 2022 SG published its draft Vision for Scotland's Public Electric Vehicle Charging Network. At the same time it announced that it would no longer provide an annual LAIP grant to Local Authorities. SG has set up a new £60 million fund, the Electric Vehicle Infrastructure Fund (EVIF), of which approximately half would be from private sector investment. There was also information regarding the withdrawal of funding for the Charge Place Scotland 'back of office' system, which the Council owned chargers in Moray use. SG will be withdrawing this funding in March 2025, after which there will be a cost to Councils for the use of this, or any other, 'back of office' system.
- 3.6 Scottish Futures Trust (SFT) are supporting SG in the management and delivery of the EVIF. To apply to the fund, Local Authorities are required to prepare and submit a Public Electric Vehicle Charging Strategy and Expansion Plan, along with a supporting Business Case. The submission of the supporting business case is to demonstrate commercial viability of existing charging infrastructure and of future expansion plans. SFT and SG note that not all charging infrastructure will be commercially viable, in particular chargers in remote rural areas where there is a lower population base.

- 3.7 SFT provided a template for the strategy and expansion plan, along with datasets, financial models and GIS mapping to support Local Authorities. This approach enables SFT and SG to readily compare the strategies and expansion plans across Local Authority areas. It also enables the direct comparison of the Business Cases to identify which Local Authority areas will require additional grant funding, as not all of their charging network may be commercially viable.
- 3.8 In May 2022 SG provided Local Authorities with an enabling grant to assist with the preparation and submission of their Strategy and Expansion Plan and the supporting Business Case. The deadline for the submission was the beginning of December 2022. SFT were aware that submissions would still require Committee approval and were content to receive submissions in draft. At the time of drafting this report (December 2022), SFT had received six draft Strategies and Business Cases for review, which cover nine Local Authority areas, including Moray. The deadline for submission was subsequently extended to 31 January 2023 with a continued acknowledgement that submissions may still require Committee approval. We are currently awaiting comments on the submission from SFT.

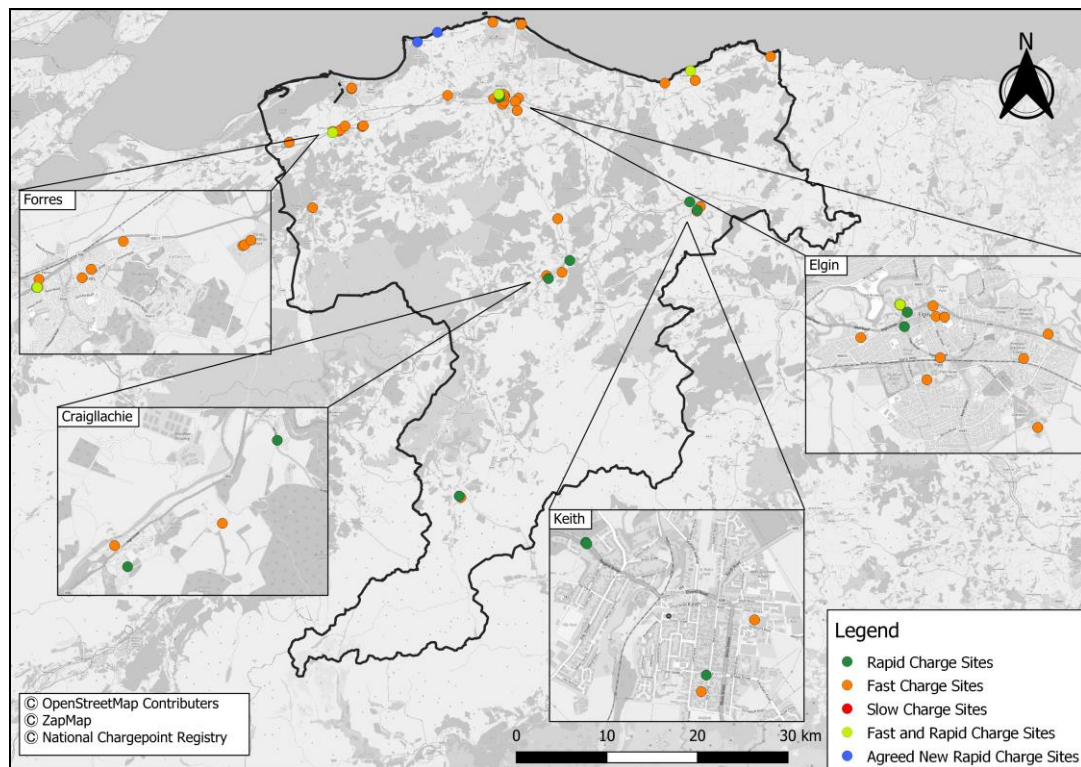
4. DRAFT STRATEGY AND EXPANSION PLAN

- 4.1 The draft Strategy and Expansion Plan has been developed with the assistance of consultants, following the guidance provided by Scottish Futures Trust. Electric vehicles and associated charging infrastructure are an evolving area subject to change. The draft Strategy and Expansion Plan acknowledges this and leaves scope for further development through the utilisation of future enabling grants from Scottish Government, anticipated for financial years 2023/24 to 2025/26.
- 4.2 The Strategy and Expansion Plan is required to demonstrate the Economic, Commercial and Management Cases for the future investment in the charging network and follow the SFT guidance, which sets out the following pre-defined vision, outcomes and priorities:
- A well-designed, comprehensive and people-focussed network;
 - An accessible, and reliable public network of charge posts which works for everyone;
 - Supporting the principle of a 'Just Transition';
 - Attracts private sector investment; and
 - Supporting active travel and public transport choices.
- 4.3 The SFT guidance also sets out the structure and information required for the Strategy and Expansion Plan to qualify for consideration for funding. This information includes:
- a description of the baseline conditions;
 - the modelling of the future demand for charging infrastructure;
 - the locations and specification for new charging infrastructure;
 - the estimated costs; and
 - the preferred future operating model for the network.

Economic Case

- 4.4 There are currently 90 electric vehicle charging posts available on the network in Moray for use by the public, of which only 28 are Council owned and operated. The charge posts are predominantly located within the main settlements of Elgin, Forres and Keith, which are sited on the A96 east-west corridor and along the A95 corridor. Other towns with fewer charge posts include Buckie, Dufftown and Lossiemouth. The locations of the Moray Council owned charge posts are shown below:

Locations of Existing EV Charging Infrastructure (Council and other Operators)



- 4.5 The draft Strategy and Expansion Plan has been developed using a demand forecasting model provided by SFT. The model takes into account population and economic forecasts, to provide future predictions around charging behaviour and subsequent infrastructure requirements. The forecasting was undertaken for three scenarios, Low, Medium and High as set out in the SFT guidance.
- 4.6 Separate data was provided by SFT, which determined whether an individual residential property had access to off-street parking. This data enabled the identification of the areas within settlements where there may be demand for on-street charging infrastructure e.g. in the historic areas of coastal communities such as Cullen, Hopeman etc.
- 4.7 The preferred mix of charging posts was then identified from the forecasting information for each of the settlements in Moray. This preferred mix was compared to the existing charge point provision (all publically available charge posts regardless of ownership) to identify the locations where additional

charge posts would be required to meet the forecast demand. The total number and mix of charge posts for Moray to meet the demand would be:

Number of Existing and Forecast EV Charge Posts with Settlements

	Residential On-Street (Slow)		Destination (Fast)		On Route (Rapid)	
	Existing	Forecast	Existing	Forecast	Existing	Forecast
Moray	2	82	54	71	19	70

Note: there are 90 existing charge posts across Moray, 15 of which lie out with settlement boundaries.

- 4.8 The provision of new charge posts is being considered on a staged approach with Stage 1 focussing on expanding provision within Moray Council public car parks and on other Council controlled parking areas. The provision and locations for on-street charging facilities, which is a fast evolving market, will be considered as part of Stage 2 of the Strategy and would be subject to the provision of further enabling funding from SG.
- 4.9 Preferred sites were assessed against the following criteria and given a score for each criteria to identify the sites, which could be prioritised in terms of meeting forecast demand and their potential commercial viability:
- Security of location;
 - Commercial charging potential;
 - Power connection rating;
 - Residential charging potential;
 - Destination charging potential;
 - On-route charging potential; and
 - Electric vehicle uptake of the wider area.
- 4.10 This process narrowed the number of sites down to twenty one across the various settlements in Moray as shown in the table below, with a total of 61 charging posts provided across the sites. It should be noted that this number is lower than the forecast demand of 141 destination/on-route charging posts shown in Table 4.7 above. At the present time a significant number of publically available charge posts have been provided within supermarket car parks, by community groups etc. and other providers will continue to look at charging infrastructure and make their own cases.

Stage 1 – Off-Street EV Charging Sites

Settlement	Car Park	No. of Existing Chargers	No. of Proposed Chargers
Buckie	North Pringle Street	0	5
Buckie	Cluny Square	0	2
Buckie	Newlands Lane	0	4
Burghead	Station Road	0	4
Cullen	The Square	1	3
Dufftown	The Square	0	3
Dyke	The Hall	0	4

Elgin	North Port	1	4
Elgin	Elgin Railway Station	1*	2
Elgin	Hall Place	0	4
Elgin	Cooper Park	0	4
Fochabers	The Square	0	3
Forres	Tulloch Park	1	3
Forres	Leask Road	1	3
Forres	Leys Road	0	5
Keith	Mid Street	0	1
Keith	Innes Lane	0	1
Keith	Bankers Lane	0	1
Lossiemouth	Gregory Place	0	2
Lossiemouth	East Beach	0	2
Lossiemouth	Station Park	1	1
Total		6	61

* existing charger owned by Network Rail

- 4.11 The outline costs for each site were estimated on the basis of default costs provided by SFT and any known site specific information. Using these outline costs the total estimated capital cost for the preferred Stage 1 off-street sites shown in the above table was determined as £1,652,350.

Commercial Case

- 4.12 SFT provided a spreadsheet modelling tool to determine the expected expense and revenue from the existing and proposed future publically available charging infrastructure. The use of this tool ensures that all Local Authorities future applications to the EVIF are readily comparable and provides an evidence base for the awarding of grants.
- 4.13 The expected level of private investment capital is currently unknown. However based on current and forecast low levels of utilisation of publically available charging infrastructure in Moray, the modelling determined that there would be limited profit to be gained by the private sector in the short/medium term.
- 4.14 There are a number of delivery options for the future operation of the publically available charge posts in Moray, both existing and new, which have been identified by SFT:
1. The charging network is owned and operated by the Local Authority;
 2. The charging network is owned by the Council and leased to an operator (a 'Landlord' approach);
 3. The charging network is owned by the Council, leased to an operator with conditions which enable continued oversight by the Council (Landlord plus); and
 4. The charging network is operated and expanded as a contractual joint venture, as a time limited concession where there is Local Authority oversight.

- 4.15 Option 4 has been identified as the most suitable operation model for Moray Council's chargers as it enables a more collaborative approach and greater oversight of the delivery of the service. The chargers would be operated by private companies on a concession basis, with the Council retaining land ownership and the responsibility for all underground infrastructure. The operator would operate, maintain and ultimately replace the above ground infrastructure.
- 4.16 This option would remove the on-going costs of running the chargers but retain oversight to ensure that the operator continued to provide an acceptable level of service, e.g. ensured that any repairs required were undertaken within a stated time period etc.

Financial Case

- 4.17 As part of the development of the Strategy and Expansion Plan, initial discussions were held with a number of existing Charge Point Operators (CPOs), to determine whether there would be market interest in operating and expanding the charging network in Moray. Whilst these operators showed an interest in having a presence in Moray, there would be no confirmed committed commercial interest, until a procurement exercise had been undertaken.
- 4.18 Highland, Aberdeenshire and Aberdeen City are currently undertaking such a procurement exercise as part of their 'Pathfinder' project for the operation and extension of their charging networks. Whilst this exercise is focussed specifically on those Council areas and their plans, within the documentation Moray has been included as a potential partner. The results of this exercise will provide clearer evidence of interest in the north-east and highland areas of Scotland.
- 4.19 The Financial Case highlights that there are some existing and future charging locations, which are likely to see low utilisation rates. It is expected there would need to be government funding in the short to medium term, to cover initial infrastructure costs and the ongoing maintenance of some sites. It has been assumed in the Financial Case that there would be no funding available from Council revenue budgets to support the operation and maintenance of the chargers. Investment by the Council is expected to be focussed on the provision and operation of charging infrastructure to serve the Council's fleet vehicles, as this dedicated provision is outside the scope of the public charging network.
- 4.20 Taking into consideration the available sources of funding; the modelling undertaken to determine the viability of the charging infrastructure; and the forecast future demand for charging, it is expected that grant funding in the range of £600,000 to £1,000,000 would be required to deliver the planned Stage 1 (off-street) EV infrastructure for Moray.

Management Case

- 4.21 The final section of the Strategy and Expansion Plan sets out the governance and management of expansion plan; the risks and their mitigation; and the

timetable and next steps, should funding be granted. This information provides evidence to the funder that there would be suitably qualified and experienced staff working on the delivery of the charging infrastructure and partnership working with private investors.

5. NEXT STEPS

- 5.1 The draft Strategy and Expansion Plan was submitted to SFT on 6 December 2022 for their consideration and comments. As part of the submission it was noted that approval from this Committee would be sought in February and that there may be amendments to the plan as part of that process.
- 5.2 It is anticipated that there will be further enabling funding provided for the next three years, to further develop and implement the Strategy and Expansion Plan. This funding will be used to identify specific sites for on-street charging in Moray (Stage 2), and part fund a shared post within HiTRANS to enable collaboration across a number of authorities in the north of Scotland and across the islands.
- 5.3 The HiTRANS officer would represent the Council in the 'Pathfinder Project' which covers Highland, Aberdeenshire and Aberdeen City councils. The 'Pathfinder Project' is currently advertising a Prior Information Notice (PIN) which is seeking expressions of interest from private operators to explore potential delivery options for delivering EV charging infrastructure. Collaborative working across local authorities is encouraged as part of the Scottish Government draft vision for Scotland's Public Electric Vehicle Charging Network, and by being part of a wider regional approach may make Moray more attractive to private investment.
- 5.4 Depending on the outcome of the PIN, calling off any contracts set up as part of the 'Pathfinder Project' could reduce the workload on officers within Procurement and other support services within the Council.
- 5.5 Subject to awarding of grant funding from the EVIF and utilising the market information gleaned from the Pathfinder Project, the existing chargers and new sites would be packaged up into 'lots', which would include a mix of commercially attractive sites and those less so. These 'lots' would then be offered either through calling off any Pathfinder Project contracts or through a separate procurement Moray Council led procurement exercise for a future operator and private sector investment in the network.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Strategy and Expansion Plan sits within the approach of the council in its Corporate Plan of looking after the world we live in, whilst supporting the priority of creating a sustainable council through seeking grant funding and commercial partners to provide and operate the publically available electric vehicle infrastructure in Moray.

(b) Policy and Legal

Scottish Government's draft vision for Scotland's Public Electric Vehicle Charging Network sets out the future approach to funding to provide, expand and operate the network. The draft Strategy and Expansion Plan and supporting Business Case have been prepared taking the draft vision into account and following the template and guidelines, and using the supporting data provided by Scottish Government and Scottish Futures Trust.

(c) Financial implications

Corporate Management Team Additional Expenditure Warning

When the Council approved the budget for 2022/23 on 22 February 2022 (paragraph 3 of the Minute refers) it balanced only by using reserves and one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make savings in the order of £20 million in the next two years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the committee should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section below and whether a decision on funding could reasonably be deferred until the budget for future years is approved.

The operation and maintenance costs of the council's existing charging infrastructure are met through revenue budgets, utilising the income from the charge posts. As the existing infrastructure gets older, maintenance costs are likely to increase.

(d) Risk Implications

Without an approved Electric Vehicle Infrastructure Strategy and Expansion Plan the Council will be unable to make applications to the Scottish Government Electric Vehicle Infrastructure Fund (EVIF), which aims to provide £60m of funding to support the expansion of the publically available charging network in Scotland.

For EV charging sites within off-street car parks and on Council Land which is part of 'Common Good' there may be a requirement to gain Court Consent to enable a private operator to install and/or operate above ground infrastructure.

(e) Staffing Implications

There are no staffing implications arising from this report as the delivery of the draft Electric Vehicle Infrastructure Strategy and Expansion Plan is part of existing staff duties. However the delivery and implementation of the strategy and expansion plan will require staff input from Procurement, Legal and Property Services. These services are all currently operating at capacity and the implementation and on-going management of the strategy may require additional resource, outsourcing or other work to be de-prioritised.

Part of the EVIF enabling grant from Scottish Government will be used to contribute towards a HiTrans officer acting as a shared resource to enable collaboration across a number of authorities in the north of Scotland and across the islands, and to represent the Council in the Pathfinder project which covers Highland, Aberdeenshire and Aberdeen City councils. Collaborative working across local authorities is encouraged as part of the Scottish Government draft vision for Scotland's Public Electric Vehicle Charging Network.

(f) Property

The location of existing Moray Council charging infrastructure is within public car parks and on Council and Common Good assets. The plans for expansion focus on locations under the control of the Council. Community Asset Transfers (CATs) may reduce the number of locations available. The inclusion of some sites within the Expansion Plan may mean that they are no longer suitable for a CAT.

(g) Equalities/Socio Economic Impact

The strategy and expansion plan has been developed following the guidance provided by Scottish Government, Scottish Futures Trust Public EV Charging Strategy and Expansion Plan Template. This guidance includes specific consideration of the provision of electric vehicle charging infrastructure on the relevant protected characteristics in Section 4.2 of the draft Strategy and Expansion Plan, as required by the SG guidance. New guidance on the design of charging infrastructure, to ensure that where practical it is fully accessible, is being developed by Scottish Government. Any new charging infrastructure will be required to follow this guidance.

(h) Climate Change and Biodiversity Impacts

Developing a strategy and guidance for the provision of publically available electric vehicle charging infrastructure is one of the key actions in the Council's Route Map to Net Zero, which supports the Council's Climate Change Strategy.

Providing publically available charging infrastructure supports and encourages the change from fossil fuelled vehicles to electric and hybrid vehicles through addressing issues such as 'range anxiety' and providing charging facilities for households with no off-street parking. The use of electric and hybrid vehicles reduces emissions, which supports nature recovery and the overall improvement of environments.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Legal Services Manager, Chief Financial Officer, Equalities Officer, Principal Climate Change Officer, Assistant Procurement Manager, Estates Manager (Commercial Buildings) and Committee Services Officer (L Rowan) have been consulted and their comments incorporated into the report.

7. CONCLUSION

- 7.1 An Electric Vehicle Infrastructure Strategy and Expansion Plan is one of the conditions to be met to enable applications to Scottish Government funding for new charging facilities and for the subsidising of locations where the provision and operation of charging infrastructure is not commercially viable.**
- 7.2 Having a strategy and expansion plan will direct new charging infrastructure to locations which support demand for charging and identify their commercial viability, which in turn will assist in attracting commercial operators/private investment to Moray.**
- 7.3 Retaining control of infrastructure sites but seeking to set up a concession for the provision of new and operation of existing infrastructure to commercial operators to reduce the risk to the council and remove the requirement for revenue funding for the on-going operation and maintenance of these Council assets.**

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Background Papers: Previous committee report from 8 February 2022 Charges for Electric Vehicle Charging

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