

South Ayrshire Council

**Report by Head of Roads, Ayrshire Roads Alliance
to Cabinet
of 14 February 2024**

Subject: Electric Vehicle Charging Tariff

1. Purpose

- 1.1 The purpose of this report is to seek approval to implement South Ayrshire Council's electric vehicle (EV) charge point tariff, minimise spend and overstay charge across our charge network. This move responds to recent increases in energy.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 approves the implementation of an EV charging tariff from 1 April 2024 to be set at:**

- **Fast / AC (7kW): £0.31 per kWh**
- **Fast /AC (22kW):£0.37 per kWh; and**
- **Rapid / DC (50kW): £0.37 per kWh;**

- 2.1.2 approves an overstay charge for rapid charges of:**

- **Fast /AC - £30 after 5 hours with a 10 min grace period; and**
- **Rapid /DC - £30 after the first hour with a 10 min grace period;**

- 2.1.3 approves a Minimum Spend of £5; and**

- 2.1.4 delegates authority to the Head of Ayrshire Roads Alliance to modify charging tariffs to address fluctuating energy prices and ensure the Council remains at a cost neutral position.**

3. Background

- 3.1 South Ayrshire Council (SAC) has been responsible for installing and operating Public Electric vehicle charging points (EVCP) since 2015 with the first chargers installed and operational in 2015 The development of a network of chargers through the SAC area has been largely funded through the Transport Scotland's annual Charge place Scotland (CPS) grants, however other sources of funding have been utilised in recent years. There are currently 35 EVCP at 30 locations across the SAC area.

- 3.2 The Scottish Governments programme for government 2017-18 set a target to phase out the need for new petrol and diesel cars and vans by 2032, which at the time was 8 years before the rest of the UK. This target was revised to 2035 by the UK Government in November 2020.
- 3.3 There is currently no tariff within SAC for the use of EVCPs. The introduction of this tariff will cover electricity costs including capacity charges, standing charges etc.; maintenance, back office (Charge Place Scotland) and replacement of faulty units. The average local authority rate for rapid charging station is £0.50. This figure fluctuates across the local authority areas. It should be noted that these are prices at this time, and it likely that most councils will be undertaking the own reviews for the 24/25 period.
- 3.4 ARA and EAC Finance & ICT have met to prepare the initial EV charging and the income collection and management arrangements and have also had meetings with colleagues from SWARCO which is the back office operator for Chargeplace Scotland. These meetings have been helpful in determining arrangements with regards to VAT, clarifying the charging and income remittance arrangements to the Council as well as allowing specific processes to be put in place to facilitate financial charging and cost recovery of the EV fleet vehicles operated by a range of Council services.
- 3.5 The proposal to introduce charging on 1 April 2024 will see members of the public continue to use their Chargeplace Scotland card to access the charger network with the bank details assigned to their card being debited by SWARCO for the amount of the EV charge delivered to the vehicle. Public charging will result in April's charging costs being levied on users by SWARCO in their May 2024 direct debit run with the resultant income collected by SWARCO from each users direct debit being remitted to the Council in June. This payment in arrears process is likely to continue until SWARCO have concluded their work to implement real time financial charging. When the income is received from SWARCO it will be credited to the ARA budget to offset the electricity costs associated with the charger network.
- 3.6 SWARCO is able to provide a suite of data and intelligence for each EV charger including details of each user, the vehicle linked to the Chargeplace Scotland card, the duration of each charge and the most and least used chargers in South Ayrshire. This information will enable ARA to engage in discussions with private operators in line with the expectations of Transport Scotland and the Scottish Government.
- 3.7 The data suite is important because it allows the Council to provide SWARCO with details of each Chargeplace Scotland card used to provide EV charging for fleet vehicles. This will then allow bespoke information to be provided for each fleet vehicle and, more importantly, will enable a monthly invoice to be sent to the Council for the total EV charging costs for the entire EV fleet. This removes the need for cumbersome direct debits and will enable colleagues in ARA to receive and pay the SWARCO invoice and then recover these cost through recharges to relevant services based on consumption and cost information provided by SWARCO.
- 3.8 The recommendations within this report support the strategic priorities with the South Ayrshire Council Plan 2018-2022 and associated delivery plans 2023-2028 to support a thriving economy and green transition at the same time enable financial sustainability through the reduction of carbon emissions and leveraging for external investment into the council area.

4. Proposals

- 4.1 The current cost for the electricity used by the EVCP allocated from Ayrshire Roads Alliance revenue budgets and due to the increase in energy cost this has increased significantly over the last few years. Although the simple electricity supply cost per unit to the council is £0.16p /kWh, the actual cost to the council depends on the site. In 2023/24, electricity supply costs are set to rise thereby further increasing the service costs for the Council.
- 4.2 South Ayrshire Council spent Circa £500,000 on electricity supply for public facing and fleet charging points in 2022/23 and received no income from these. It is worth noting that this does not include maintenance costs, annual service costs, signage replacement and data management meaning the real cost to the council will be much higher.
- 4.3 Recent increases in electricity prices requires the implementation of EVCP tariff with minimum spend and overstay charges, with the new approved charges coming into effect from 1 April 2024. The factors being considered in setting tariffs minimise spend and overstay charge for charging are:
- Funding the day to day operation of the network by users through the tariff;
 - The cost of electricity (including standing charge for electrical supply, capacity charges), back office fees, banking fees and merchant fees;
 - Adequate funds to enable effective maintenance, and, where required, renewal of charge points; and
 - The tariff for rapid charging is higher than the tariff for fast charges, to reflect the increased cost of the infrastructure and higher operating costs.
- 4.4 According to the report Public EV charging in Scotland: Insight report on Tariffs by Scottish Futures trust published in November 2022, the provision of below cost charging by local authorities was of benefit and relatively low cost approach to encourage the early adoption of EVs. It is now less of a requirement to adopt this approach as purchasing of EVs becomes a more mature market.
- 4.5 Within the same report states a market rate should now be introduced to maintain and expand a high – quality customer focused network across the whole of Scotland. To deliver the thousands of additional EV charge points necessary over the next five to ten years, it is estimated that £300m to £400m of new investment will be required; most of this will need to come from the private sector. Free or below cost EV charging by Local Authorities is currently deterring private sector investment to step into the market to provide this capacity.
- 4.6 It is recommended by a recent Scottish Futures Trust report that charge point owners (CPO) including local authorities should levy tariffs that cover all direct and indirect costs (including asset replacement). This would broadly align with the market rate tariff charged by the private sector CPOs for a typical 50kW charger station which is an average £0.58, with a range of £0.28 for Pod Point often available at supermarkets to £0.79 with Shell Recharge.

Considerations

- 4.7 This report concludes the tariff would need to be set at £0.31 per kWh for Fast/ AC chargers and £0.37 per kWh for Rapid /DC chargers if we are to attract private sector investment and likewise breakeven with enough capital to reinvest into the network.
- 4.8 Private charge point operators pay a significantly higher cost for their electricity than the council does this is due to local authorities having access to the public framework. Therefore, private sector operators may still struggle to provide charging services at the tariff levels being proposed in this report.
- 4.9 The minimum spend should be implemented at £5 to ensure EV charger service users only access the charge facility drawing a minimum of 18kWh of electricity when they do require to charge.
- 4.10 The overstay charges proposed for rapid chargers should be set at the following:
- Fast /AC - £30 after 5 hours with a 10 min grace period; and
 - Rapid /DC - £30 after the first hour with a 10 min grace period.
- 4.11 This ensures service users opt for the appropriate charger capacity suitable for the duration the vehicle will be parked. It will also reduce congestion on rapid chargers.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 The implementation of a EV charging tariff would allow a more cost neutral provision of EV charging across the Council area and reduce the overspend position within the budget.

7. Human Resources Implications

- 7.1 There are no Human Resource issues; the service will be managed within existing resources.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 These risks are outwith the control of the Council and will continue to be monitored.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 The risks associated with rejecting the recommendations are the level of uncertainty surrounding future energy prices and the maintenance and replacement costs associated with aging EV charge points within the EAC network.

8.2.2 Agreeing delegated powers to the Head of Ayrshire Roads Alliance will provide the agility to quickly change the EV tariff responding to market factors such as the electricity price fluctuations. As the market matures more residents will purchase EV as they become more affordable. There will be a requirement to review a variety of tariffs within the Pan Ayrshire Electric Vehicle Infrastructure.

8.2.3 Other risks include the prospect of demand for public charging will dip in the early weeks of introducing a tariff structure. This will rebalance as more EVs are purchased by residents. The Council will be more cost competitive to encourage more private sector involvement as part of the Pan Ayrshire Electric Vehicle Infrastructure project which has been lacking due to Council offering free charging to EV users..

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 1](#).

9.2 There are no issues identified. As the market matures, hopefully more residents will find EV more affordable, there may come a point where a variety of tariffs could be introduced that supports the potential impact on protected characteristics.

10. Sustainable Development Implications

10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 1 of the Council Plan: Spaces and Places/ Moving around and the environment (Outcome 1).

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Bob Pollock, Portfolio Holder for Economic Development, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Roads, Ayrshire Roads Alliance, will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Implement charging tariff	1 April 2024	Head of Roads, Ayrshire Roads Alliance

Background Papers **Report to Cabinet of 25 April 2023 - [Electric Vehicle Charging Infrastructure Investment in Ayrshire](#)**

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Date: 1 February 2024

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Electric Vehicle Charging Tariff
Lead Officer (Name/Position/Email)	Kevin Braidwood, Head of Roads - Kevin.Braidwood@ayrshireroadsalliance.org

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	No	Yes
Disability	No	Yes
Gender Reassignment (Trans/Transgender Identity)	No	Yes
Marriage or Civil Partnership	No	Yes
Pregnancy and Maternity	No	Yes
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	No	Yes
Religion or Belief (including lack of belief)	No	Yes
Sex – (issues specific to women & men or girls & boys)	No	Yes
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	No	Yes

Community or Groups of People	Negative Impacts	Positive impacts
Thematic Groups: Health, Human Rights & Children's Rights	No	Yes

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	No	Yes
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	No	Yes
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	No	Yes
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	No	Yes
Socio-economic Background – social class i.e. parent's education, employment and income	No	Yes

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: There are no negative implications associated with this paper – this paper is provided for the purposes of scrutiny. All objectives shall be applied to ensure equality in approach and inclusion.	
Signed : Kevin Braidwood	Head of Ayrshire Roads Alliance
Date: 12 January 2024	