
Report to Clackmannanshire Council

Date of Meeting: 30th January 2025

Subject: Electric Vehicle Charging - Concession Model

Report by: Strategic Director: Place

1.0 Purpose

- 1.1 This paper seeks council approval to enter into a concession model in collaboration with 7 other local authorities in the South of Scotland (City of Edinburgh, Clackmannanshire, Dumfries & Galloway, Falkirk, Fife, Midlothian, Scottish Borders, West Lothian) for the appointment of a single supplier for the future delivery of public electric vehicle (EV) charging in Clackmannanshire.

2.0 Recommendations

- 2.1 The council are asked to approve the following:
- 2.1.1. To divest the council of the existing public electric vehicle charging infrastructure, this is likely to be by way of licence or lease of existing electric vehicle charging point locations as part of the project.
 - 2.1.2. Delegate authority to the Strategic Director: Place to grant licences/leases of future electric vehicle charging point locations as part of the project.
 - 2.1.3. To collaborate with 7 other Local Authorities in South of Scotland area (SoS) to jointly procure a concessionaire to operate and expand the public EV charging network for the next 12-20 years.
 - 2.1.4. Agree in principle to enter an Inter-Authority Agreement (IAA) with one or more partner authorities related to the service delivery period of the proposed contract.
 - 2.1.5. Delegate authority to the Strategic Director: Place for the selection of a Lead Authority for the concession contract and to conclude negotiations to enter into the resulting IAA.
 - 2.1.6. Delegate authority to the Strategic Director: Place for commercial decisions relating to the commencement and conclusion of the procurement process.

- 2.1.7. Delegate authority to the Strategic Director Place to authorise the City of Edinburgh Council, on behalf of the council, to award the contract to the provider whose tender is the most economically advantageous.
- 2.1.8. Authorise the Strategic Director: Place to agree the South of Scotland Electric Vehicle Infrastructure Regional Strategy.
- 2.1.9. Provide the Strategic Director: Place in consultation with the Senior Manager - Legal & Governance and Monitoring Officer with delegated authority to negotiate and agree final contract and other terms and enter into appropriate legal agreements on behalf of the council.

3.0 Background

- 3.1 EV charging infrastructure has been installed in the council area over the past decade, funded by Scottish Government grants. The programme commenced in 2014 and was administered by Transport Scotland, with investment in Clackmannanshire of £729,449. The programme delivered 36 EV chargers in the area with all main settlements now having at least one public EV charge point.
- 3.2 ChargePlace Scotland (CPS) is the public charging network operator on local authority land assets. Transport Scotland funds this back-office function but announced this contract will expire on 31st December 2025. After this, local authorities need to provide these back-office functions. SoS authorities have since had it confirmed that Transport Scotland will extend this back-office function until 30th April 2026.
- 3.3 Scottish Government launched the Electric Vehicle Infrastructure Fund (EVIF) in 2022 to unlock private investment to expand the EV charging network to locations that may be less commercially viable. Transport Scotland engaged Scottish Futures Trust to support local authorities to develop EV Strategy & Expansion Plans (SEPs), and supports regional approaches to network expansion. Using the EVIF a SEP was prepared with Falkirk Council. This plan provides recommendations on scope, locations, delivery model and funding for significant expansion of the public EV charging network in both council areas.
- 3.4 To lever maximum private sector investment Transport Scotland are encouraging collaboration to move to the delivery phase. Collaboration minimises resource demands on authorities, obtains optimal market responses by adopting a consistent approach and engages a new Charge Point Operator (a CPO) prior to CPS back-office functions expiring. The partner local authorities are working on an agreed route to market to operate the existing public EV charging network and to expand this network from 2026 onwards.
- 3.5 The preferred operating model is for a 'concession' type operation. Concession contracts involve arrangements between public authorities and CPO's. The CPO can exploit existing networks to operate commercially and in return provide services and deliver maintenance and network improvements. Investment is remunerated through profits from tariffs and other charges applied to users.

- 3.6 £5.9 million of EVIF grant is available to the SoS region. The proposed procurement will use this grant to attract £28 million of private investment to the region. If achieved, this would represent a £3.87 million investment in Clackmannanshire & Falkirk. The EVIF grant for network expansion must be drawn down by 2028/29.
- 3.7 SoS authorities have chosen a 'single supplier' procurement route with a Lead Authority in place and using a 'concession' contract to engage a private sector partner able to transition existing CPS assets and deploy new charging infrastructure under the EVIF programme. The consensus is for one local authority to contract with the CPO on behalf of SoS authorities using one procurement process rather than a 'framework contract' approach. City of Edinburgh Council have agreed in principle to be the Lead Authority for procurement and centralised project management. If agreement with City of Edinburgh Council is not approved by their committee, SEStran have agreed to act as the lead authority.

4.0 Considerations

- 4.1 Collaborating to expand the EV network in the SoS region provides a range of benefits in the following areas.

Leveraging private sector investment means:

- a regional offer funded by a CPO which is subsidised by EVIF grant from Transport Scotland with no, or minimal, capital investment from the partner authorities to fund service delivery costs.
- the region is presented as a single market offering economies of scale, leading to better value and more competition from CPOs.
- a 'Lead Authority' model secures a single CPO, removing the risk of a single supplier from a 'framework contract'. Under a framework contract model a CPO would not be mandated to sign any contract call-off.
- a network designed to be efficient whilst maximising private investment by bundling sites in commercially attractive neighbourhoods with those in less commercially attractive areas.

- 4.2 Financial and commercial risks are better managed by:

- preventing competition between individual procurements across local authorities that may leave one, or more, without a supplier.
- minimising risks for authorities by transferring commercial, financial, technical and regulatory risks to a commercial partner, with a centralised operating team in place hosted by the Lead Authority or other partners so reducing contract management burdens.
- investing in infrastructure for areas of low utilisation. CPOs operating across the region can balance network utilisation across locations ensuring all communities are well served.

4.3 Generating income for contract management:

- allows a commercial partner to operate EV Charging Infrastructure on local authority land and assets with potential to generate income for SoS authorities through various arrangements, such as a combination of concession fees and revenue, or income share. A Lead Authority contract can pool resources and revenue to meet contract management costs.
- A Memorandum of Understanding (MoU) has been drafted which sets out the relationship between SEStran, the Lead Authority and partner authorities. This also sets out roles and responsibilities and governance arrangements for collaborative working during the procurement period. The MoU, which will be agreed by the Strategic Director: Place, ensures the council is represented during the procurement process, including preparation, tender documentation, bidder selection and evaluation.
- It demonstrates a commitment by the council to negotiate and enter into an Inter-Authority Agreement (IAA) that will determine the relationship between the authorities under the contract. The IAA will come into effect upon contract award.
- The proposed procurement will result in significant time savings across the SoS area avoiding work duplication that would otherwise need to be done individually by eight local authorities.

4.4 Significant economies of scale will be achieved using this procurement route including the cost of technical consultancy support, procurement and programme management which could exceed £300,000. These costs will be shared among the seven partner authorities and the Lead Authority.

4.5 As part of the concessionaire arrangement existing charging points will be transferred or managed by the concessionaire and there should also be provisions relating to new charging points and locations. A further report on this and implications arising will be brought back to Committee as these aspects develop.

4.6 Further information on considerations is contained within the attached Appendix 1.

5.0 Sustainability Implications

5.1 The proposed procurement seeks to achieve the outcomes of the Strategic Expansion Plan, including an increased rate of electric vehicle ownership across authority areas. This will drive decarbonisation and directly support the primary goals of the council's climate ambitions.

6.0 Resource Implications

6.1 Financial Details

The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

6.2 The approach set out in this report aims to lever private sector investment so that no, or minimal, capital investment is required from participating authorities to expand EV charging infrastructure. There is not anticipated to be any need for capital investment. However, this cannot be confirmed before concluding the competitive dialogue process.

6.3 The Inter-Authority Agreement (IAA) will set out the contract's centralised long-term management, funded by income from the contract. The revenue implications for the council are minimal. Any surplus income could be distributed amongst the authorities based on an agreed formula.

6.4 Specific reports will be brought to council should arrangements diverge from the intended capital and revenue spend associated with the proposed network following competitive dialogue.

6.5 An IAA will be drafted using legal advisors appointed by the Lead Authority but involving colleagues from participating authorities formed into a 'legal working group'. The intention is to use EVIF grant to meet procurement and external legal and technical advice costs. EVIF grant will also be used to appoint independent legal advisors if an authority is not party to any joint instruction.

6.6 Participation in the procurement process will require officer involvement from Transportation, Procurement and Legal teams, including through working groups. This resource allocation will be reduced given the Lead Authority approach.

6.7 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

6.8 *Staffing* – the overarching contract will be managed by City of Edinburgh Council, however the day to day and local issues will be managed utilising existing staff resources.

7.0 Exempt Report

Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

8.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities**

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies**

- Complies with relevant Council Policies

9.0 Equalities Impact

- 9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

An Equality and Diversity Impact Assessment has not been undertaken, as the proposed procurement does not require a change, or revision, to existing policies. The procurement seeks to achieve a market solution that delivers the outcomes outlined in the Forth Valley Strategy and Expansion Plan, including securing a just transition and delivering a range of community benefits.

10.0 Legality

- 10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

- 11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Further information on Considerations on Electric Vehicle Concession Model.

12.0 Background Papers

12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Appendix 1 – Further Information on Considerations of Electric Vehicles Concession Model

- 1.1. The approach to collaboration in expanding the EV network captures the desired outcomes present across all EV Strategy Expansion Plan areas, which includes:
- 1.2. **A resilient, accessible, customer-focused network:**
 - For service users, a consistent network across the region, with common charging policies, payment mechanisms and other functions;
 - ensuring deprived areas are not neglected in the electrification of transport;
 - a minimum level of service to areas designated as a public need, including locations that attract significant tourism and neighbourhood charging hubs where appropriate;
 - Infrastructure that is built to reflect the needs and local context of each local area, with a good geographic spread and a higher density of charging opportunities for those without access to off-street parking;
 - controls on tariffs that ensure the public receive good value and the authorities are not subsidising the tariff.
- 1.3. **Community and supply chain benefits:**
 - As with all major contracts, there is a requirement for the inclusion of community benefit clauses in the tender and procurement process;
 - In addition, the contract can provide for prioritisation of installations in particular locations to meet community benefits outcomes;
 - The network can act as a catalyst for sustainable and inclusive local economic development, ensuring that rural and urban communities benefit equitably and local supply chains are used.
- 1.4. **Wider-reaching benefits:**
 - supporting the wider Scottish Government objectives to provide a fairer, greener future where no one is left behind from the positive shift to a zero-emission transport system;
 - contributing to the just transition to net zero and enabling further e-mobility and shared mobility.
- 1.5. A collaboration of this nature requires a clear governance and decision-making process, and key decisions that require approval through the relevant local governance structures of each of the SoS authorities. Each authority is also proceeding through its own governance structures to delegate authority

as set out in the recommendations and above, including prior to any contract being entered into.

- 1.6. The SoS procurement programme will be delivered by the Lead Authority, in cooperation with seven Partner Authorities, with external technical and legal support where required.
- 1.7. A Memorandum of Understanding (MoU) has been drafted, which sets out the relationship between SEStran, the Lead Authority and Partner Authorities and roles and responsibilities and governance arrangements of collaborative working throughout the procurement period. The MoU, which will be agreed by the Director of Place ensures the Clackmannanshire is appropriately represented throughout the procurement process including in the preparation of contractual and tender documentation, the bidder selection and evaluation. It also commits Clackmannanshire to negotiate and enter into an Inter-Authority Agreement (IAA) that determines the relationship between the authorities under the contract. The IAA will come into effect upon contract award with the new CPO.
- 1.8. Authority officers have retained a proportion of the enabling EVIF to instruct an external legal firm to advise on the conclusion of an Inter-Authority Agreement.
- 1.9. The main benefits of pooling remaining enabling EVIF are:
- 1.10. **The ability to go to market:**
 - There is insufficient funding available for this Authority to go to market independently, or with a small subset of the SoS.
- 1.11. **Reduced duplication of effort:**
 - Significant savings in time across the region, avoiding duplication of work that would otherwise have to be done individually by eight local authorities
- 1.12. **Economies of scale:**
 - Significant economies of scale during the procurement phase, the cost of technical consultancy support, procurement, and programme management, which is likely to exceed £300,000, will be shared among the seven Partner Authorities and Lead Authority.
 - Additional savings under the Lead Authority arrangement associated with the centralised long-term contract management