

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO CABINET**

19 MARCH 2024

Report Title: Electric Vehicle Charging Points for Castle Car Park

Submitted by: Deputy Chief Executive

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To award the contract for the provision of Electric Vehicle Charging Points at Castle Car Park to Zest Eco Ltd.			
<u>Recommendation</u>			
<p>That Cabinet:</p> <p>1. Authorises the Deputy Chief Executive in consultation with the Portfolio Finance, Town Centres and Growth to enter into a contract with Zest Eco Ltd for the installation, management and maintenance of electric vehicle charging points at Castle Car Park.</p>			
<u>Reasons</u>			
To enable delivery of this key piece of infrastructure for the new Castle Car Park at Ryecroft.			

1. Background

- 1.1 Cabinet has previously considered construction of the multi storey car park at Ryecroft and at its meeting of 6 June 2023 approved the award of the main construction contract through the Pagabo framework to Morgan Sindall. Now that construction of the car park structure has progressed it is necessary to consider infrastructure items that will enable the car park to operate. One such item is the provision of electric vehicle (EV) charging points which is the subject of this report.
- 1.2 EV chargers are a piece of necessary infrastructure as the transition from fossil fuel vehicles continues. Installation of chargers at Castle Car Park is designed to respond to this transition as a greater number of drivers transition to electric vehicles. In addition to visitors to the town the car park

is also likely to serve new residential development and the hotel development that are also proposed to be delivered at the Ryecroft site.

2. Issues

- 2.1 In procuring an EV charging provider, the Council undertook early market engagement, looking to engage with organisations that could offer a fully funded solution i.e. one that would offer EV charging at the new car park at zero cost to the Council. As it appeared there were several organisations that could offer such a solution, the Council decided to utilise a compliant framework. Accordingly, Officers engaged with Crown Commercial Solutions which had a relevant framework (RM6213 Vehicle Charging Infrastructure Solutions).
- 2.2 Through a process of filtering and requests for further information 6 providers were subsequently invited to tender. Following this there was only one organisation that was interested in engaging. This was a company called Zest.Eco Ltd (Zest Eco). Following further negotiation, it is proposed to make an award to Zest Eco.
- 2.3 Zest Eco is an accredited end-to-end EV charge point operator. It can access the £420 million Charging Infrastructure Investment Fund (CIIF), which is funded by a combination of UK Government funding and private investment. This mechanism enables Zest to offer the fully funded model to the Council. Zest Eco has achieved B Corp status and has carbon neutral certification. Zest Eco is also one of the largest EV charge point operators in the UK.
- 2.4 The fully funded model operated by companies such as Zest Eco minimises risk to the Council in that Zest is responsible for all build risk, utilisation risk and operational risk with transfer of the asset at the end of the contract. This model provides access to additional future investment from Zest Eco to increase the number of chargers and redeploy hardware to meet evolving needs. The benefits of the Zest Eco model are:
- Financial security, Zest is backed by the Government via CIIF.
 - 100% project funding
 - Provision of charge point and ancillary hardware, including installation and signage.
 - 20-year arrangement to provide assurance of continuity
 - Management, payment, and back-office systems including a driver app and 24/7 driver support.
 - Mapping platform and satellite navigation inclusion.
 - Long term maintenance and renewal.
 - 99% average uptime.
 - Zest is carbon neutral and committed to renewable energy.
- 2.5 The initial proposal from Zest Eco is to install two 50Kw DC chargers and nine 22Kw AC chargers covering 22 parking bays with a commitment to expand further as demand increases.

3. Recommendation

- 3.1 That Cabinet Authorises the Deputy Chief Executive in consultation with the Portfolio Finance, Town Centres and Growth to enter into a contract with Zest

4. Reasons

- 4.1 To deliver on the Council Plan Objectives as they relate to Newcastle Town Centre.
- 4.2 To pursue actions in line with the Council's Environmental Sustainability Strategy and Car Parking Strategy.
- 4.3 To deliver projects in line with the Council's Future High Street Fund bid.
- 4.4 To enable EV charging to be provided in the new Castle Car Park.

5. Options Considered

- 5.1 In line with public sector procurement requirements in public procurement the contract opportunity has been competitively tendered to provide engagement with the EV charging market.
- 5.2 The supplier funded option is the preferred model as the Council would not have the resources to manage and maintain the system or to be able to expand provision or update the EV chargers as technology changes occur.

6. Legal and Statutory Implications

- 6.1 The arrangement requires the Council to enter into a long term, 20-year, EV charging infrastructure lease with Zest Eco to enable the equipment to be installed and maintained and to facilitate an income share arrangement for the revenue generated from the EV Charging points.

7. Equality Impact Assessment

- 7.1 No differential impact has been identified. The EV charging points will be accessible to any driver using the car park and specific provision has been made for EV charge points for accessible parking bays.

8. Financial and Resource Implications

- 8.1 The arrangement with Zest Eco is a 20 year fully managed service which provides the Council with access to future additional investment from Zest Eco to increase the number of chargers as demand increases. The lease will give Zest Eco certain rights of access to provide and maintain the EV charging infrastructure.
- 8.2 Typically, in such arrangements, the provider (in this case Zest Eco) will fund the infrastructure required to set up, maintain and run the charging points and any associated costs such as electricity supply. On this basis it is at no cost to the landowner, in this case the Council. Of the income generated, the Council will receive a small percentage which will realise a modest annual income for the Council. The Council's agreement with Zest Eco will reflect such an arrangement.

- 8.3 Car users will pay for car parking fees as normal through the Pay and Display regardless of if they are charging or not. Use of the chargers is a separate charge.
- 8.4 As previously reported to Cabinet, the overall Castle Car Park is being funded from a combination of Future High Street Fund, Town Deal (which are funding separate elements) and a Council capital contribution. The arrangement with Zest further contributes to delivery of the car park in the most cost effective way for the Council.

9. Major Risks & Mitigation

- 9.1 This proposal offers a low-risk option for the Council as Zest Eco is liable for the provision, management, maintenance, and replacement of the EV chargers.
- 9.2 There is provision in the arrangement for the number of EV charging points to be increased when demand requires this.
- 9.3 In the short term the uptake of local people using electric vehicles may be low but as people invest in new vehicles this will mean that more drivers are looking for EV charging points when they are parking their vehicle.
- 9.4 There is a risk that few drivers choose to charge their vehicles on site if the cost is too great, it is however in Zest Eco's interest to make their chargers competitive in the market so that they generate income.

10. UN Sustainable Development Goals (UNSDG)

- 10.1 The proposal contributes to the following USNSDG



11. Key Decision Information

- 11.1 Castle Car Park is in Town Ward although users of the car park will be drawn from a wider area.
- 11.2 The proposal from Zest Eco is a fully funded option that does not require investment from the Council beyond that already committed in building the multi storey car park.

12. Earlier Cabinet/Committee Resolutions

- 12.1 October 2019, Cabinet concerning development of the second stage Future High Street Fund bid and procurement of consultancy support.
- 12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item)

- 12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG
- 12.4 April 2021 Cabinet accepting Future High Street Fund Grant monies and grant conditions.
- 12.5 December 2021 Cabinet Contract Award to Morgan Sindall
- 12.6 March 22 Cabinet Ryecroft Update
- 12.7 January 2023 Cabinet update report on progress made on the multi-storey car park project.
- 12.8 June 2023 Cabinet, Castle Car Park Multi-Storey Car Park Contract Award.

13. **List of Appendices**

13.1

14. **Background Papers**

14.1 Zest Public Sector Overview