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| Agenda Item | **7** |
| Report No | **CCC/04/22** |

**THE HIGHLAND COUNCIL**

**Committee:** Climate Change Committee

**Date:** 3rd November 2022

**Report Title:** Electric Vehicle Infrastructure Commercialisation Options

**Report By:** Executive Chief Officer – Performance & Governance

## 1. Purpose/Executive Summary

1.1 This paper sets out the feasibility of creating a region wide EV (Electric Vehicle) infrastructure network through a collaborative membership of local Scottish councils partnering with the private sector; and outlines progress undertaken to date and next steps.

1.2 The target date for moving to the market Discovery Phase is November 2022.

## 2. Recommendations

2.1 Members are asked to:

i) Note the need to attract commercial investment to meet the surging demand in EV charging and changing funding landscape.
ii) Note the progress to date on the Pathfinder Project which investigates alternative delivery models for EV public infrastructure.
iii) Approve progressing the project to Discovery Phase, and then to a formal procurement procedure, based on the findings and recommendations from the Discovery Phase.

## 3. Implications

3.1 Resources:

Personnel - The development of the project will be undertaken by a discovery project team, which includes existing officers within the EV Infrastructure Team (part of the wider Climate Change & Energy Team) and officers from Aberdeen City and Aberdeenshire Councils. Resource funding has been made available from Transport Scotland for Highland Council officer time.

The project has received substantial officer input and is overseen by Members through the Northern Roads Collaboration Joint Committee**.** At officer level, it sits within the EV management team, and the project is reviewed by the EV infrastructure board, and also the fleet decarbonisation working group. It has been supported throughout by the Shared Procurement Service.

Financial - The current EV public network model is placing budget pressure on the Council, and a change in the financial model approach will seek to mitigate this

pressure. As the EV market develops, the Council has an opportunity to generate a long-term revenue.

3.2 Risk - The market will continue to develop without a strong influence from the Public Sector, priorities on market locations on charging will reflect this and no revenues will be forthcoming to the Councils.

There is a risk that many areas within the Highlands may not be commercially viable to install public EV infrastructure, and private investment may be difficult to attract. Without Council involvement the likely commercial route will focus on high turnover opportunities and avoid development of lower demand sites. This would mean that the less profitable areas would be left for the Council to address and place a budget pressure on the Council. It is therefore essential that Councils takes an active approach to the development of EV infrastructure.

3.3 Community (Equality, Poverty and Rural) - It is vital that the Council supports a Just Transition for the Highland region, and in particular for rural, remote areas. To mitigate this, a layered approach is being taken which aims to bundle a range of charging options which can be procured together (for example layering the commercially viable hubs together with less commercially viable solutions such as on-street chargers in communities).

3.4 Climate Change / Carbon Clever - The project supports the Scottish Government's vision for Scotland's Public Electric Vehicle Charging Network; it will accelerate the expansion of EV infrastructure and enable the transition to low carbon emission vehicles within the Highlands.

3.5 Legal and Gaelic – there are no direct implications arising from this report.

## 4. Background

4.1 The Scottish Government has pledged to end Scotland's contribution to climate change no later than 2045. All public bodies have a duty to support and work towards this target under the Climate Change (Scotland) Act 2009, as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. Both the Scottish and UK Government have pledged to phase out the need for new petrol and diesel cars and vans by 2030.

4.2 The Highland Council declared a climate and ecological emergency on 9 May 2019[1] in recognition of the serious and accelerating changes to the world caused by climate change. In so doing, Members recommitted to achieving a carbon neutral Highland by 2025.

4.3 Highland Council's commitment to tackling the climate crisis can be seen in the Local Authority Installation Programme (LAIP) and Electric A9 project. Funded by Transport Scotland, these projects have developed the EV public charging network so that EV drivers can confidently travel throughout Scotland – in both urban and rural locations.

4.4 Highland Council currently owns and operates over 85 charge points throughout the region, and there are additional projects in progress which will see a further 23 installed by Autumn 2023. Currently, the tariff applied for using Highland Council EV charge points does not cover the total amount of costs associated with management and future of the estate.

1 https://www.highland.gov.uk/meetings/meeting/4119/highland_council/attachment/75435

## 5. New Delivery Approach and Funding Landscape

5.1 In January 2022, Scottish Government published its draft vision for Scotland's Public Electric Vehicle Charging Network[2] and launched a new public EV Infrastructure Fund (EVIF) designed to support the growth of the public EV infrastructure network.

5.2 The objective of this fund is to support the expansion at scale and pace of a reliable and customer focussed public EV infrastructure network across Scotland and to create the conditions to leverage commercial investment to support this expansion.

5.3 The fund also aims to ensure that investment enables charging opportunities in areas where off-street parking is not possible and where commercial investment on its own would not be viable. This approach supports a Just Transition within the Highlands, enabling residents with no off-street parking to access EV infrastructure.

5.4 This vision changes the approach used to provide capital funding to local authorities for the installation of EV infrastructure. The new EV Infrastructure Funding programme (EVIF) replaces the previous LAIP funding programme and offers £60 million over the next four years (2022-26) with approximately half of this funding anticipated to be invested from the private sector.

5.5 £140k of EVIF funding (over the lifetime of the programme) has been made available to each Local Authority support strategic planning and project delivery. Each local authority has been invited to develop a Public EV Charging Strategy and Infrastructure Expansion Plan to identify the scope of investment required to meet the outcomes and priorities in the draft Vision Statement.

5.6 In addition, to speed up the development of new strategies and help identify charge point requirements across Scotland, funding has also been made available for six "Pathfinder Projects". The pathfinder projects aim to identify the scope of works and preferred delivery model that can attract private sector investment. A collaborative approach to the Pathfinder project, as well as pooling of funding to secure economies of scale, has been strongly encouraged.

5.7 The allocation of funding for capital projects will be based on an assessment of either the pathfinder projects or a local authorities Strategy and Expansion Plan.

## 6 Pathfinder Project

6.1 In December 2021, The Highland Council in collaboration with Aberdeen City Council and Aberdeenshire Council, received Scottish Government funding to undertake a Pathfinder Project. In order to expedite the project, the initial scope was presented to the Northern Roads Collaborative Joint Committee on which elected members from all 3 Councils within the Shared Service area sit. The initial approval sought was to commence the collaborative project across the north to assist in meeting Net Zero targets and using our economies of scale to attract a commercial partner with a view to setting up a partnership with them where the Councils can share in the income generated. In addition, HiTrans and HIE were invited to be part of the collaboration.

6.2 The purpose of the pathfinder project was to identify the future expansion plan for charging infrastructure and assess various options for working together on future

2 https://www.transport.gov.scot/news/a-new-vision-for-electric-vehicle-charging-infrastructure-in-scotland/

delivery models. The project was made up of four key stages and the outcomes are summarised below:

6.3 Ownership Options: The initial stage of the pathfinder process was to present a range of different business options in relation to EV infrastructure ownership/management, to help the Council identify the role they may choose to play in the long-term future of the networks in the region.

Figure 1 shows the options that have been considered and it has been recommended that a focus would be on the Concession and Landlord options, with Highland moving away from full responsibility but retaining some level of control and income in the future.

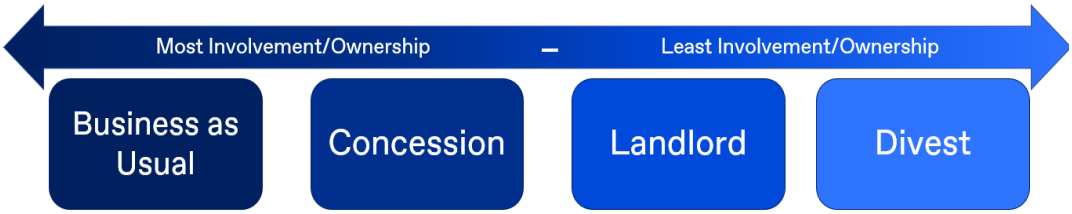


*Figure 1: EV Infrastructure Options*

6.4 Projections: The next stage in the pathfinder process involved projecting the charging infrastructure the Highland region estimated to meet the full electrification of cars and vans in the region by 2045. The figure below shows the potential areas for the initial phase of the project with exact sites to be identified during next phase of the project.

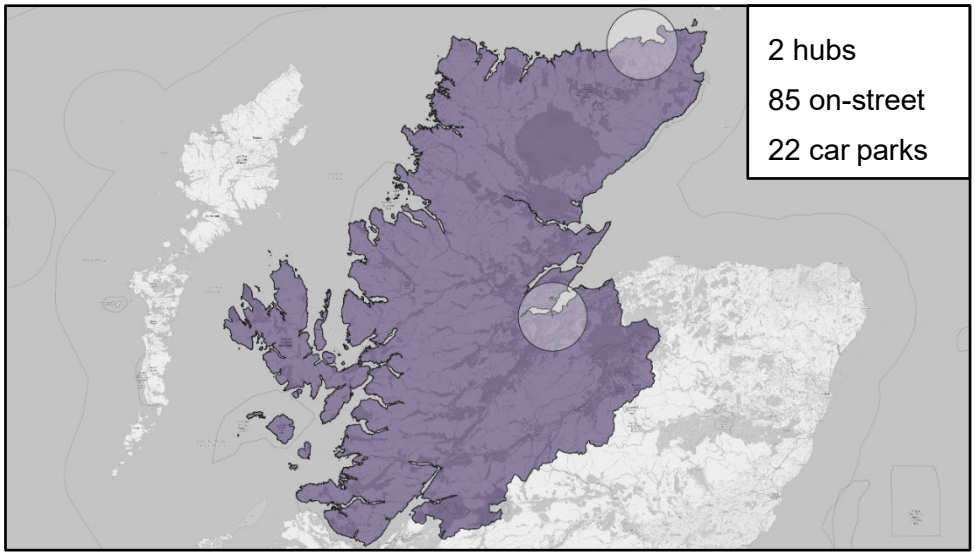


*Figure 2: Recommended Phase 1 EV Infrastructure*

6.5 Approach: Following the initial two stages of the project and a programme of stakeholder engagement it has been recommended that the authorities should focus on the deployment of rapid hubs and solutions for those without access to off-street parking, leaving the private sector to focus on the mixed hubs and destination charge points identified in the profiles.


*Figure 3: Recommended focus areas for Local Authorities*

A layered approach to procurement was presented to all key contacts, Scottish Futures Trust, and wider teams within each local authority, which would see “bundles” of charge

points going to the market (e.g., Rapid hubs, residential and current charge points, internal fleet demand). The length of contract offered to the private sector is likely to increase as more layers are bundled together.

It has been recommended to take this approach forward across all three authorities and within the regional approach with small changes to each individual authority to meet local conditions. The basis behind this approach was that the more profitable aspects of the infrastructure could be bundled together with less profitable options to make sure that authorities were not left having to subsidise or fully fund parts of the infrastructure when the procurement process is complete.

The Council is looking to include the internal fleet charging requirements within the offer and where possible collaborate with other public sector organisations with similar fleet requirements (E.g. Police Scotland, SNH, NHS Highland, Scottish Water). There is an opportunity to share EV infrastructure and maximise the benefit of public funding, and this may be of particular benefit in rural, remote areas where utilisation levels may be lower and installation costs higher. We want to install the right number of EV infrastructure in each area and avoid multiple charge points for each individual organisation.

6.6 Business Model Outline**:** The final stage of the pathfinder approach looked at financial projections in relation to investment, tariff setting and possible revenue streams.

The high-level costing suggests that a total capital cost to deploy the Highland Council Phase 1 infrastructure would be £1,756,000.

This information has been used to identify a range of tariffs and grant funding scenarios, based on the current infrastructure and the initial phase of the layered approach. This has been completed for the Highland Council only, and also as a collaborative approach with Aberdeen City Council and Aberdeenshire Council, in order to compare and evaluate the relative benefits of both approaches.

The analysis showed that the tariff and grant can significantly vary across the range of scenarios. Taking a collaborative approach across the 3 councils offers the Scottish Government value for money and provides the Highland Council a reduction in tariff level.

| Scenario | Highland Council Only | | 3 Councils Combined | |
|---|---|---|---|---|
| | Tariff (£/kW) | Capital Grant (£) | Tariff (£/kW) | Capital Grant (£) |
| Baseline Utilisation | 0.78 | 1,200,000 | 0.68 | 3,900,000 |
| High Utilisation | 0.78 | 1,200,000 | 0.62 | 5,400,000 |
| Lowest acceptable tariff | 0.6 | 2,600,000 | 0.54 | 7,300,000 |

*Table 1. Tariff and grant requirements.*

## 7. Recommendations and Next Steps

7.1 The Pathfinder Project has provided a future expansion plan for EV public infrastructure for the Highland region and assessed various options for delivery models that would attract private investment. The project has highlighted that a collaborative approach with Aberdeen City Council and Aberdeenshire Council would be financially beneficial and would support a Just Transition for the region.

7.2 In addition, initial discussions have been held with neighbouring Local Authorities and public sector organisations with the purpose of extending the collaborative approach to EV infrastructure. Five additional councils (Orkney, Moray, Western Isles, Shetland and Argyll and Bute) have requested to be included in the Discovery Phase and to be

included in the Prior Information Notice (PIN). NHS Highland is also considering joining the collaborative approach.

7.3 It is recommended that the project now moves to a Discovery Phase. This would test the market and enable the Council to take forward these choices/ preferences and develop them further through market consultation. A Prior Information Notice (PIN) would be issued 2022 Q4 and following this, the project would then progress to a formal procurement procedure based on the findings and recommendations from the Discovery Phase.

7.4 It is recommended that the Council include the existing Council owned EV network and the future fleet EV infrastructure demand. This layered approach offers benefits to the Council, as outlined in Section 6.5, and would provide an anchor demand to the network.

7.5 The key next stages in the pathfinder are summarised below with high level timescales. We need to move at pace to secure funding as well as develop a strong position on an evolving market. The initial steps in this work will consist of:

- Discovery phase to PIN prior to end 2022
- First stage commitment phase - to be named on the PIN
- Selection phase - start with PIN notice interviews and draft Business Case March 2023
- Tender pack, consultation with the private sector leading to a procurement exercise to select successful bidder end 2023
- Implementation phase from 2024.

7.6 A detailed project proposal is attached in Appendix 1 which provides further information the project and next steps.

**Designation:** **Executive Chief Officer – Performance & Governance**

**Date:** **24th October 2022**

**Authors:** **Roslyn Clarke, Neil Osborne, Fiona Conti**

**Appendix 1**

# The Highland Council Savings and Transformation Programme

# Project Proposal

| **1. Project Overview** | |
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| **Project Name and Thematic group** | *Provide a short working title for the project.*<br>Electric Vehicle Infrastructure Commercialisation options. |
| **Proposal Developed by** | *Name(s), job title(s) and service*<br>Andrew Collins Strategic Procurement and Commercial Manager CPSS<br>Fiona Conti, Strategic Procurement Manager, CPSS |
| **Project Summary** | *Describe the project. What is the purpose of the project? What is it trying to achieve? What has triggered this project? State the desired project outcomes. What will the project deliver? What will change from the current situation to a new situation? Make the outcomes tangible and clear and link to the benefits.*<br>The purpose of this project concerns the feasibility of creating a region wide EV (Electric Vehicle) charging infrastructure through a collaborative membership of local Scottish councils partnering with the private sector and acting as a selected Charge Point Network Operator (CPNO). (Maintains, repairs, installs, and carries out the customer facing tasks like membership access, billing, fault reports etc.)<br><br>There are a range of options on how this relationship could be structured including Joint Venture, Concession, Landlord, and these will be explored in the Discovery phase of the project.<br><br>The network created will grow over the duration of the agreement and reflect growth in EV demand through vehicle sales. It will consist of a range of different charging sites across multiple Councils with a focus on Rapid Hub, On-street Residential, Off-street Carparks and not on Mixed Hubs and Destinations which are best left to the private sector to continue to specialise in.<br><br>The solution will be a layered approach involving a combined scope of the three charging solutions above plus the current infrastructure in place.<br><br>**As context** - The growth in electric vehicles across public and private users requires a similar investment in charging network options to serve this growing demand. Right now, in Highland we have 0.78% of vehicles which are electric out of a total of 147,911 potential (projected to be 182,231 in 2045), we therefore see extensive market |

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| | demand and potential for the future, and this is similar across other councils like Aberdeen City and Aberdeenshire too.<br><br>From 2030 the sale of new internal combustion engine (ICE) vehicles will be banned (diesel and petrol) and the sale of hybrid from 2035. In terms of electric vehicle sales growth more than 21.4% of all new cars sold in Scotland in December 2021 were electric.<br><br>At the same time Highland Council has identified EV will form part of its Net Zero journey for fleet vehicles.<br><br>The Council has an option to explore if it can commercialise this market shift or just remain an off taker of others and this paper sets out the strategic options on that exploration.<br><br>The project will deliver content on the options against which the Council can make educated choices and set out its clear EV road map and preferred associated commercial structure/s.<br><br>A Discovery project team will then take forward these choices/preferences and develop them further through market consultation.<br><br>In the final stage the project will deliver a robust solution for EV networks, access to funding and collaboration with other Councils, all enjoying a new revenue stream as a ROI through a potential joint venture company which can be re-invested in social value delivery and helping with a contribution to future budget challenges. |
| **Service** | List service(s) involved in the project<br><br>Fleet, Climate Change team. |
| **2. Business Need** | |
| **Outline Current Situation** | Outline the current situation – consider performance levels, operating costs, processes, organisational structures, staffing levels, roles, skills, and culture. Technology/infrastructure, IT systems, buildings, and equipment. Management information and data.<br><br>**<u>The Council position and need</u>**<br><br>Highland Council has a target of Inverness being carbon neutral and the Highlands being low carbon by 2025 and a key part of that will entail the phasing in of EV fleet vehicles over the coming years.<br><br>Extensive detail on the Councils position on EV is contained in the report Electric Vehicle Infrastructure Update Report 2020, presented to the Economy and Infrastructure Committee on 2 September 2020.<br><br>The infrastructure to supply these needs with required charging capacity does not exist today and continues to be problematic to fund and operate.<br><br>The Council area of operations is also large with a mix of urban conurbations and rurality making future infrastructure difficult to define and install. |

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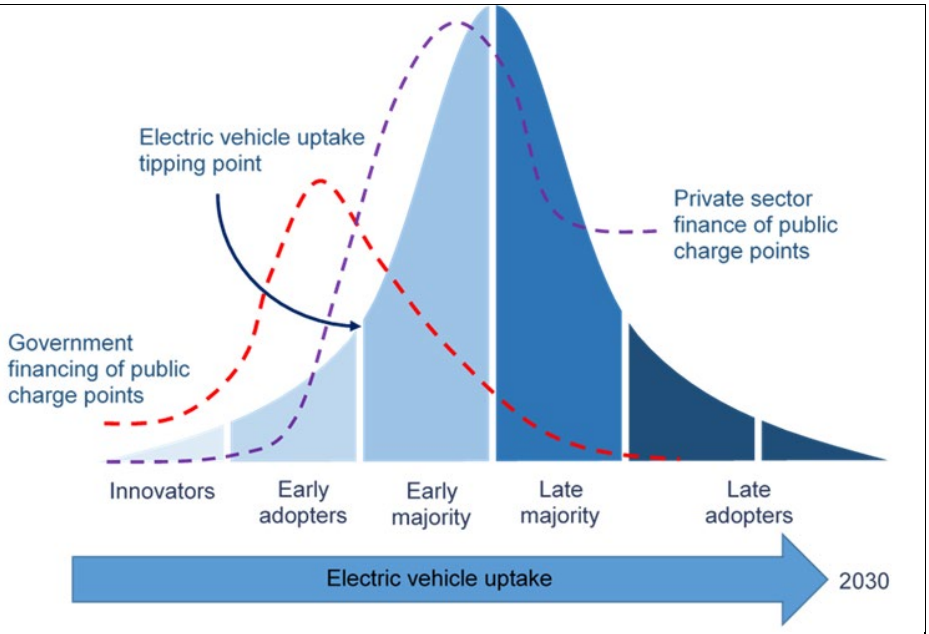
| | Studies commissioned recently through Urban Foresight and others indicate the following: -<br><br>a. A layered approach covering a wide geographic area will be interesting to the private sector to respond too.<br>b. Councils working together collaboratively will increase access to funding that can be used to make infrastructure investments.<br><br>A copy of the Urban Foresight report is also attached.<br><br>**Access to funding**<br><br>Through dialogue with Transport Scotland, the new funding of £30M available for applications across all of Scotland (spread over the next 4 years and with £30M of private sector funding also available) will be the last support envisaged at this stage for Councils to seek assistance in funding projects to be do with EV and that a collaborative project involving multiple Scottish Councils will be preferred in support decisions on access to this funding.<br><br>**Current market structure**<br><br>1. In Scotland, the current CPS network is made up of<br>• Over 450 Hosts<br>• 2834 charge points (Just over 2000 public and the remaining private for fleets)<br>• Has 159 listed tariffs (with approximately 50% of LAs still not charging)<br>• Completed 783,000 annual sessions<br>• Over 10 million kWh annually delivered<br>• CPS has approximately 72% of the public market<br>• TS has invested over £50 million in the network to date.<br><br>The size of the overall market is difficult to gauge as it is skewed by 50% of hosts offering free charging and the data on private networks is extremely limited but a rough calculation on the 10 million kWh used in Scotland on CPS would place the market size between £1.7m and £5.6m with this set to grow an estimated 10 times up to 2030. |




The current structure of the charging provision market is a mix of different players and a wide variety of price and support commitment options and is forecast to be worth £50M in Scotland by 2030. (Charges vary by Charge Point Host)

Charge Place Scotland is the current CPNO for the Scotland's EV current network and appointed by Scottish Government (supplier called SWARCO) to get this going, agreement ends in July 2023 unless extended.

Charge Place Scotland – CURRENT Average prices for charging in Scotland on 1st August 2022 were: -

| | Average | Aberdeen City | Aberdeenshire | Highland | Spread |
|---|---|---|---|---|---|
| 7kW | 0.28 | 0.19 | 0.24 | 0.2 | 0.15-1.( |
| 22 kW | 0.27 | 0.19 | 0.24 | 0.2 | 0.12-0.( |
| 50 kW | 0.31 | 0.19 | 0.24 | 0.3 | 0.15-0.1 |

Private sector pure players are £0.45 plus.

Please refer to slides on" Scottish tariff profiles" table 1 and table 2.

**<u>Future potential on the private sector to this market</u>**

The private sector is very keen to invest in any networks and see that there will be returns if a 15–25-year contract is awarded for the operation and maintenance of these. They are happy to take part funding to help de-risk, but some are willing to pay for 100% of the capital investment for the right number, location, and length of contract. The bigger the network they more interested private sector are, this is especially true for fast chargers where the utilisation rate will always be lower and so the number of chargers will determine revenue/profit.

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| | **<u>Constraint on the Councils to charge more</u>**<br><br>For those chargers provided with the support of the Scottish Government to fund installation etc. there are existing restriction tied to this grant funding to stop Councils then passing this onto private sector operations/ restricting what the Councils can then price charge.<br><br>This degree of complexity has already been discussed with Scottish Government and assurance was given **that these constraints will be removed in the near future-** for now we need to flag that they will be addressed in the Discovery phase of this project.<br><br>The current calculation on actual cost is estimated at 0.67p/kWh for a charger vs the subsidised rates we are seeing above- 95% of all chargers today are offered to customers at under 0.67p. whilst this is a significant potential increase from e.g., 0.2 to over 0.67 p this still works out for the EV user as competitive compared to diesel (half the cost to travel same miles at e.g., 0.80p /kWh).<br><br>Most LAs are part of the Scottish Government purchase of fuel Framework agreement and are currently paying around 17p per kWh which would put the cost of a 12kWh session at around a minimum of £2.04 just for the electricity used. Note that access to this framework would not be possible under the new commercial structure- we need as part of the definition of good joint venture partner someone with extensive electricity contracts at competitive prices.<br><br>Private firms are currently paying in the region of 27p per kWh and this cost is set to double and triple in the coming months which would mean the current tariff levels are nowhere near enough.<br><br>All councils run the risk of not charging sufficiently to recover all costs especially in times of extreme energy increases, a change to a more commercially focused approach would be one of the objectives of this new relationship between member councils and a new private sector partner. a further risk this change would also address is charging too little when other fuels continue to increase in price. The desired state which this change will deliver is to offer cost competitive charging rates which bring a share of the net profits back to the member councils to then use this to support related programmes and projects. |
| **Description of Future State** | What are the business drivers for change, now and in the future?<br><br>1. Need a Net Zero delivery solution to a complex question of EV charging infrastructure.<br>2. Can this deliver a new commercial return to the Council/s?<br>3. Is collaboration across Councils a reality in defining an attractive market offer to the private sector?<br>4. Can this solution be agile and have some flexibility on key elements across different council collaboration partners? (As an example- one solution partner happy to develop different priorities expressed by different council collaborative partners such as - maximum revenue vs speed and depth of infrastructure installation into rural communities) |

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| **Project Outcomes** | *What is the purpose of the project and what is it trying to achieve? State desired project outcomes required to move from current situation to future situation. Make the outcomes tangible and clear and link to the benefits.*<br><br>The project identifies options for EV charging commercialisation across Councils and proposes a project plan to explore and implement the approved version, maximises the ability to access support funding. The solution will address public needs and types of charging structure options as well as the need to have a council private EV charging network/public sector solution with the minimum of funding exposure to the Councils. (Ideally self-sustaining/realising). |
| **Potential Benefits** | *Outline potential benefits that should follow from project outcomes – benefits should be measurable (qualitative or quantitative) include relevant performance indicators and benchmarking details if available.*<br><br>1. A new comprehensive solution and timeline to deliver Net Zero EV charging infrastructure for the Councils with a high degree of geographic coverage.<br>2. A commercially attractive offer to public users of the new network. Councils will shorty have freedom on tariff setting even on grant funded assets. Tariff forecast is increasing substantially whilst still cheaper than ICE.<br>3. A solution that has the potential to deliver substantial net revenue return to the Councils each year for the next 20 years.<br>4. The identification and partnering with a credible private sector organisation who can be trusted to deliver a reliable, scalable agile solution. |
| **Links to Council Priorities** | *Does the project contribute to delivering the Council Priorities?*<br><br>*State which priorities the project will deliver*<br><br>The project helps to deliver a number of priorities- with the focus being on Net Zero and environment, People (in terms of environment, jobs,) and the Economy (as its to be designed to contribute new revenue gain as a return to the Councils) |
| **Legal and Statutory Obligations** | *What legal or statutory obligations does the project help to comply with?*<br><br>The Climate Change (Scotland) Act 2009<br><br>'Making the Connection: The Plug-In Vehicle Infrastructure Strategy' was published by the Government in 2011.<br><br>Climate Change Plan (CCP), the Scottish Government 2017<br><br>'Driving the Future Today: A Strategy for Ultra-Low Emission Vehicles in the UK' was published by the Government in 2013.<br><br>'Cleaner Air for Scotland: The Road to a Healthier Future' was published by the Scottish Government in 2015. |
| **3. Project Considerations** | |

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| **Estimated Budget required and Funding Source** | *Forecast potential project costs / budget if known, include capital and revenue ongoing, considering how these can be minimised and how the project will be funded.*<br>The Councils will have a share of the Investment in infrastructure, provide workers to develop project. There may also be a need for a specialist consultant in EV infrastructure and technical knowledge.<br>The average cost for a fast charger to install as £8,000, and the average for a rapid is around £40,000 with an ultra-rapid at about £60,000 - £80,000. When pricing for a charging hub the minimum cost for a rapid hub (6 rapids and 2 fasts) is around £450,000 but can rise to about £1 million depending on the location and adding of canopies, battery storage and solar generation and the need for a new substation and significant grid connection. Scottish Government has funding available still to apply for of £30M with private sector match funding of a further £30M over the next 4 years. Early adopters with a plan should get prime access to this funding. We could use the hub structure estimates from Urban Foresight to complete this application. Scottish Government may have further funding especially for credible, ambitious projects like this proposal. | | |
| **Key Stakeholders** | *List potential key stakeholders and their role in the project, i.e., who has an interest in or influence over the project and/or will be impacted by its outcomes, such as communities, employees, Elected Members, Chief Executive, Directors, Heads of Service, Area Managers, Service Managers, Trade Unions, Partners, third party contractors.*<br>All the above. | | |
| **Risks, Considerations and Dependencies** | *What are the risks to the Council if the project does not go ahead?*<br>*Outline any known risks to the project, any considerations that should be considered, existing arrangements or other work that might affect the project, and projects, initiatives, key decisions, or other activities outside the control of the project that may influence the project or present a risk to its success.*<br>The market will continue to develop without a strong influence from the Public Sector, priorities on market locations on charging will reflect that and no revenues will be forthcoming to the Councils. | | |
| **Consultation** | *List services which have been initially consulted regarding viability of the project and comments/feedback received, e.g., Communications, Facilities, Finance, ICT, HR, Legal, Procurement, Property etc.* | | |
| **Service** | **Name** | **Comments Received** | **Date Received** |
| Communities & Place | Caroline Campbell | Positive | August 2022 |
| Revenues and Customer Services | Energy Workstream members | Positive | July 2022 |
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| **Options** | *Provide details of any potential options already identified of how the project could be delivered.*<br>1. In house, operated by each local Council alone, buying all materials under frameworks.<br>2. In house, operated by each local Council alone, using Dynamic Procurement System to award lots through mini competitions.<br>3. Operated by appointed JV partner with multiple Councils involved. |
| **Other Considerations** | *Provide details of any other considerations that could have an impact on the project.*<br>1. Access to funding.<br>2. Power grid network insufficient to support roll out.<br>3. Include current assets?<br>4. Include the support for Super depots?<br>5. Where will power come from? consider own generation through renewables for main hubs? |
| **Timescales** | *Outline any planned or agreed dates, milestones, completion dates, required delivery deadlines or other time constraints on the project or the affected business areas.*<br>*We need to move at pace to secure funding as well as develop a strong position on an evolving market. The initial steps in this work will consist of: -*<br>*Discovery phase to PIN prior to end 2022<br>First stage Commitment phase- to be named on the PIN<br>Selection phase- start with PIN notice interviews and draft Business Case March 2023.<br>Tender pack, consultation with the private sector leading to a procurement exercise to select successful bidder end 2023.<br>Implementation phase from 2024. |
| **4. Next Stage - Development of Business Case** | |
| **Next Stage *** | *Outline time, costs, and resources to develop the business case for the project. **<br>• *Form internal Discovery team as a project team to progress initial definition of objectives.*<br>• *Commercial Board to recognise members of the project team and support work as a priority.*<br>• *Apply for project support funding from Transport Scotland to cover costs if needed on studies, consultant/ external experts estimate £200k.*<br>• *Involve and collaborate with other Councils to obtain objectives commitment and ranking agreements.*<br>• *Refine if needed this document and initial strategy document.*<br>• *Raise market awareness of future PIN.*<br>• *Draft and approve PIN notice.*<br>• *Agree process and PIN responders' questions.*<br>• *Issue PIN prior to end 2022.*<br>• *Use Commercial Board as Governance and project progress reporting.* |
| **5. Sign-off to Proceed to Business Case** | |

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| **Justification for Approval / Rejection** | Project outcomes and potential benefits have been identified. Yes ☐ No ☐<br><br>Project contributes to delivering one or more of the Council Priorities. Yes ☐ No ☐<br><br>Potential risks, considerations and dependencies identified do not threaten the viability of the project. Yes ☐ No ☐<br><br>Proposed project timescales are realistic. Yes ☐ No ☐<br><br>Estimated project costs are acceptable. Yes ☐ No ☐<br><br>Funding for the project is in place. Yes ☐ No ☐<br><br>Resources are available for developing business case for the project. Yes ☐ No ☐<br><br>Initial consultation with Business Support services has been undertaken and feedback received does not affect the viability of the project. Yes ☐ No ☐ | | |
| | Other, please specify: | | |
| **Proposal Reviewed and comments stated by Finance Representative** | *Comments on the Financial position on this proposal*<br><br>*Name, job title and service* | **Date** | |
| **Proposal Reviewed by Thematic Director and Board** | *Name, job title and service* | **Date** | |

| | | | |
|---|---|---|---|
| **Recommend to Strategic Change Board** | Approved ☐ Rejected ☐ | **Date** | |
| **Proposal Reviewed by Strategic Change Board** | | **Date** | |
| **Decision** | Approved ☐ Rejected ☐ | **Date** | |

| **6. Nominated Officers to Proceed to Business Case** | |
|---|---|
| **Officer Nominated to Take Forward Business Case (Project Manager remit)** | *Name, job title and service* |
| **Project Sponsor** | *Name, job title and service* |
| **Senior Responsible Officer for Project** | *Name, job title and service.* |