

Business Case – Electric Vehicle Charging Infrastructure at the Addlestone Civic Centre

Project Initiation Stage

Project/Item Title	Electric Vehicle Charging Infrastructure at the Addlestone Civic Centre		Version	1.0
Corporate Head	Ashley Smith	Service Area	Planning, Economy, & Built Environment	
Service Committee to Approve Budget	Corporate Management Committee			
Anticipated Cost of Proposal (Capital)	£35,000	Anticipated Cost Proposal (Revenue)	£3,000/year	
To be completed for Projects only (AR018)				
Type of Project	Equipment	Project Duration	10 years	
Proposed Project Start Date	May-24	Proposed Project End Date	2034	

Business Case Context

Background

Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation?

To enable the Council to reach its target of operational net carbon zero by 2030 it is necessary that the Council seeks to reduce its emissions from the Council fleet. The fleet currently forms a significant portion of the Council's operational emissions and requires swift action working towards decarbonisation. Transitioning to electric vehicles (EV) is a key step in this process. The Business Case requests the drawdown of £35,000 capital cost from the Climate Change Pump Prime Fund for the installation of six EV charging points to be installed at the Addlestone Civic Centre to support the fleet transition to EV. This fund allows the drawdown of up to £100,000 for climate change initiatives for the next 3 years. Specifically, the charging points will provide the necessary infrastructure to replace two existing fossil fuel parking vehicles with EV alternatives (subject to committee approval), provide charging capability for the existing Meals at Home EVs for further business continuity arrangements for these vehicles, and future proof the electrification of other fleet vehicles over time

At Full Council on 7 December 2023, the Council adopted an EV Strategy which sets out the Council's approach to support the transition from petrol and diesel vehicles to EV. The Strategy includes the aim for the Council "to lead by example by ensuring its own Council fleet uses cleaner EV technology at the earliest possible opportunity, where it is practical and offers the taxpayers good value for money". In the EV Strategy Action Plan 2022-26, Action 2 states that the Council will "explore opportunities to implement electric vehicle technology within RBC for the fleet and employees" and a short-term action to "investigate establishing charging points at key working locations".

Further, the Council's Sustainable Fleet Management Strategy (being considered for adoption at Full Council on 25th April) sets out how the Council will manage and deliver its fleet over a 10-year period from 2024-2034. Among the three guiding objectives of the Strategy is 'Environmentally Friendly', with the Council working towards moving its fleet assets to net zero, considering their life cycle and component parts (including fuel). A short-term action captured in the Action Plan of the Strategy is to assess the suitability of shortlisted Council owned sites to deliver EV chargers for different types of vehicles. The Strategy recognises that working towards a net zero fleet by 2030 requires investment in enabling infrastructure as a pre-requisite which will necessitate funding.

Strategic Links - relate this Business Case to RBC Corporate Strategies and Corporate Values

Corporate Strategies	Describe how this Business Case meets / contributes to the Corporate Business Plan through each of the Corporate Strategies. - Delete those not applicable
Climate Change Strategy <i>Reducing Carbon emissions from the Council's operations and the wider Runnymede community.</i>	The Council's Climate Change Strategy 2022-2030, adopted in October 2022, describes how the Council intends to make all its operations carbon 'net zero' by 2030. Strategic objective two of the Climate Change Strategy states that the Council will "positively influence our environment by embedding climate change avoidance and mitigation, sustainability, and promotion of biodiversity and conservation in all Council decisions and actions". This initiative supports the Council transition to net zero operational emissions by 2030.
Organisational Development Strategy <i>Enable Officers and Members to perform their duties to the best of their ability and make Runnymede Borough Council the employer of choice for local people.</i>	
Economic Development Strategy <i>Ensuring that the Borough continues to be a leading economy in Surrey and the wider sub-region.</i>	
Empowering the Community Strategy <i>Evidence Based Decision Making, Listening to residents, Enabling Communities to help themselves and to take control of services or plans for their areas, Working effectively with partner organisations, Dealing with inequalities.</i>	
Health and Wellbeing Strategy <i>Support the delivery of a range of services and functions to improve outcomes for residents and their quality of life.</i>	
Corporate Values	Describe where this Business Case fits in our Corporate Values - Delete those not applicable
People-focussed – we will put people at the heart of what we do and they will be able to deal with us easily.	Passionate - climate change action is a key objective of the Council's Corporate Business Plan (2022-2026) as evidenced by the Climate Change Strategy 2022-2030 and the commitments made by the Council to achieving net zero emissions. By demonstrating the Council's commitment to climate action through installation of EV charging infrastructure which facilitate a shift to electrifying our fleet, our staff can recognise and celebrate the Council's commitment to protecting the environment, and be passionate about the Council's role as a climate leader in the borough.
Passionate – we will empower our staff to be passionate about all we do.	
Performance driven – we will strive for excellence in all we do.	
Innovative – we will aim to creatively improve our services and be open to new ways of providing services.	
Promoting equality and diversity – we believe in fairness as well as maintaining a diverse workforce so we can draw upon a wide range of views and experiences to meet the changing needs of our communities.	
Delivering excellent value for money – we will strive to be as efficient and effective as possible.	
Collaborative – we will work together and with others to deliver positive outcomes for our communities.	Innovative - in recent years has the Council begun the transition to reducing the emissions from the fleet operations. Rapidly, with the transition to EV for the Meals at Home vehicles and the approved transition to Hydrogenated Vegetable Oil to power the Council fleet, the Council is making strides in this area using the latest developments. Continuing this innovative transition to reduce emissions is reflected in this initiative.

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Transparent – we will be open and honest to all about what we do.

List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely

Specific - To install six EV chargers at the Addlestone Civic Centre to facilitate electrification of the Council fleet moving towards net zero by 2030
Measurable - The Council has detailed information on the carbon emissions of Council fleet vehicles, and the emissions benefits from the transition to EV vehicles, facilitated by the implementation of EV charging infrastructure, can be established
Achievable - The installation of six EV chargers can be completed using available funds from the Climate Change Pump Prime Fund and can be performed without an DNO electrical supply upgrade as outlined in Exempt Appendix A of the 'EV Infrastructure at the Civic Centre' report due to be presented at CMC on 18th April 2024
Realistic - The installation of six EV chargers can be completed using available funds from the Climate Change Pump Prime Fund and can be performed without an DNO electrical supply upgrade as outlined in Exempt Appendix A of the 'EV Infrastructure at the Civic Centre' report due to be presented at CMC on 18th April 2024
Timely - It is expected that should be drawdown of funds be agreed at April CMC, that procurement and installation of six EV chargers at the Civic Centre can be completed within the calendar year. This implementation enables the fleet to swiftly continue a transition to EV and provide business continuity as outlined in the CMC report for 18th April 2024.

List the Constraints or Parameters in which this Business Case will operate

The Climate Change Pump Prime Fund is constrained to a sum of £100,000 per year over three years, however this initiative falls below this value for both capital and revenue costs. However, the revenue costs will run beyond the end date of this fund. Therefore, officers will seek to move as much of this revenue cost into the initial contract as feasible, with future costs taken from existing budgets and picked up in the MTFs. The initiative is also constrained by the Civic Centre space and a limited number of parking spaces that are available. It needs to be ensured that the number of chargers to be installed is proportionate to the requirement for the Councils fleet.

List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

Supporting achievement of the Council's commitment to net zero operational emissions by 2030 by facilitating the transition of an increased proportion of the Council's fleet to EV, support business continuity of EVs currently in the fleet, and allow the Council to future proof the fleet to electrification.

Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1 (preferred option):
Description

The preferred option is for the installation of six EV charging points at the Addlestone Civic Centre. This option enables two chargers to be utilised for the charging needs of two parking vehicles which are due for renewal and where the preference is replacement by EVs. Both vehicles are currently located overnight at the Civic Centre and therefore require EV charging infrastructure to facilitate the EV transition. The further four chargers supplement the business continuity arrangements for the Meals at Home EVs that currently rely on external charging capacity from third party suppliers and require a long-term solution to rely upon at Council-owned sites. These chargers would also provide the Council with greater flexibility to respond to future opportunities which could facilitate the wider transition of the Council's staff and fleet to EV and more agile in being able to take advantage of any grants opportunities for EV that may arise. The economies of scale gained from the installation of a greater number of chargers should also be appreciated as a recognised benefit.

A 'do nothing approach' will greatly limit the ability of the Council to transition towards a reduced emission fleet and consequently, the Council will not achieve the commitment given to our residents to be carbon net zero by 2030.

Benefits (comparison to other options considered)

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council

The benefits of the preferred option include greater facilitation of transitioning the Council fleet to EV with consequent reduction in emissions and greater agility to respond to electrification opportunities. The increased number of chargers provides greater service resilience through enabling business continuity of the Meals at Home vehicles. In addition, the installation demonstrates the Councils commitment to climate action and push to implement the actions set out in the EV Strategy and Sustainable Fleet Strategy.

Advantages to Service Area (preferred option)	Disadvantages to Service Area (preferred option)
Enables the actions identified in the EV Strategy and Sustainable Fleet Strategy to be taken forward and facilitate a shift to fleet electrification with reduced operational emissions.	The implementation of the EV charging infrastructure comes at a cost and ongoing revenue costs related to maintenance/software.
Costs to Organisation (preferred option)	Benefits to Organisation (preferred option)
An estimated value of £35,000 in capital costs for installation of six EV chargers, plus ongoing maintenance/software costs for operation estimated at £3,000 per year over 10 years. Six parking spaces in the undercroft will also need to be dedicated to EVs.	The infrastructure in place to enable electrification of the Council's fleet supporting the commitment to net zero operational emissions by 2030, and demonstrating the Council's climate leadership

Resource Requirements

Staffing Appraisal (preferred option):

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
Graduate Climate Change and Sustainability Officer, Corporate Head of Asset and Regeneration, Deputy Head of Community Services, Facilities and Contract Manager, Corporate Head of Environmental Services		

Add any costs into the financial appraisal table.

FINANCIAL APPRAISAL

Finance Appraisal (preferred option) - To be completed with the Finance Department:

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible benefits

– **Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.**

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<p>Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc.:</p>	<p>The capital cost estimates for installation of six EV chargers is taken based on expert advice from a contact at the Energy Saving Trust who estimated the installation of 7/11kw and 22kw chargers to be £2,500 to £4,000 per charger before consideration of cabling. However, this does not include any consideration of groundworks/cabling costs, essential external design advice and other professional fees which may also be required. A small uplift has been included to allow for contingency in this regard. A quote for previous installation of EV chargepoints at the depot has also been utilised to estimate the capital cost figure.</p> <p>The revenue costs have been estimated using a quote for previous installation of EV chargepoints at the depot and expert advice from the Energy Saving Trust. The revenue cost figure included here covers the expected maintenance costs and software costs associated with the EV chargers, and not the costs associated with electricity usage. These running costs are expected to be covered by service area budgets where the EV chargepoints are being used as an alternative to diesel.</p>
<p>Please explain how you have considered the VAT implications of the project/item:</p>	<p>Based on the quote for installation of EV chargers at the depot, it is expected that VAT will be included but this is to be confirmed.</p>
<p>If this project involves building or refurbishment work within corporate assets has the project/work been consulted on and agreed by the Corporate Head of Strategic Land and Property Assets? Please give details.</p>	<p>Yes</p>

CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Installation of six EV charging points at the Addlestone Civic Centre	35,000	-	-	-	-	-
Total Capital Expenditure	35,000	-	-	-	-	-
Capital Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL						
Total Capital Income	-	-	-	-	-	-
Net Capital Outlay	35,000	-	-	-	-	-

Estimated Useful Life of the Asset: Where the expected lives of each significant component of the asset are different (i.e. buying a house with a flat roof) you must estimate both the useful live and cost of replacing each component part. Please only include components greater than £20,000 in cost or more than 20% of the total value of the asset.	Estimated Value (£)	Estimated Life (yrs)
Overall asset		
Component 1 (specify): EV chargepoints		10
Component 2 (specify):		
Component 3 (specify):		

REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Software and maintenance costs of EV chargers (MLOA/1102)	3,000	3,000	3,000	3,000	3,000	3,000
Less: Savings to existing budget (Please specify)	-	-	-	-	-	-
Total Revenue Expenditure	3,000	3,000	3,000	3,000	3,000	3,000
Revenue Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
	-	-	-	-	-	-
Total Revenue Income	-	-	-	-	-	-
Net change to revenue budgets	3,000	3,000	3,000	3,000	3,000	3,000

ACCOUNTANCY USE ONLY

Implications for the Council Tax	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Loss of Investment Income <small>automatically populates</small>	1,225	1,225	1,225	1,225	1,225	1,225
Net Revenue costs /(savings) <small>automatically populates</small>	3,000	6,000	9,000	12,000	15,000	18,000
Impact on Band D Council Tax	0.12	0.21	0.30	0.39	0.48	0.57

Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc..) to RBC if delivering the preferred option. A risk summary only is required here.

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Risk Description	Mitigation / Help needed
Costs of works is underestimated due to additional cabling work not previously identified	Initial site survey report as outlined in Exempt Appendix A
Change in ongoing revenue costs due to economic climate	Maintain regular discussion with procured supplier
Ongoing revenue costs not covered beyond next 3 years due to ending of Climate Change Pump Prime Fund	Budget for revenue costs beyond next three years taken from existing budgets and picked up in MTFS

Impact
Consider the impact of the Business Case on the Organisation / Environment / Technology / Commercialisation / Cultural / HR

The focus and need for action for climate change is evident across the Council organisation and the wider borough. The impact of the business case will positively impact service areas in their ability to transition to EVs as an alternative to fossil fuel vehicles, and positively impact the environment. There is also a significant cultural benefit across the organisation of climate action and desire to implement actions set out in the EV and Sustainable Fleet Strategies.

Option 3 (rejected option)
Description

Initial discussions on EV charging at the Civic Centre were for 4 EV chargers to be installed.

Advantages to Service Area (rejected option)	Disadvantages to Service Area (rejected option)
Transition proportion of the fleet to EVs to reduce emissions and comes at a lower capital and revenue costs that installing a greater number of chargers	This option provides less assurance for the business continuity of the Council's existing EVs and less agility/flexibility to respond to opportunities and transition a greater proportion of the Council's fleet to EV.
Costs to Organisation (rejected option)	Benefits to Organisation (rejected option)
An estimated cost of £24,000 in capital costs for installation of four EV chargers, plus revenue costs of four EV chargers for maintenance and software estimated at £2,000 per year for 10 years. Also dedicating 4 parking spaces in the Civic Centre undercroft to electric vehicles.	Enable electrification of Council's fleet to achieve net zero operational emissions by 2030, and demonstrate the Council's leadership on climate action.

Authorisation

Approved by Corporate Head of Finance		Date	
Approved by Corporate Leadership Team		Date	Priority
Committee Report to be presented to:		Date	