

BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

THIS DOCUMENT PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED REPORT

FROM: Margaret Bailey (Senior Accountant)
REPORT: Electric Car charging Points
REPORT DATE: August 24th 2017

	£ Year 1 2017-18	£ Year 2 2018-19	£ Year 3 2019-20	£ Year 4 2020-21
Revenue				
Income				
Income from usage up to	-	(720)	(1,440)	(1,440)
Costs				
Maintenance up to	-	2,000	4,000	4,000
Insurance	-	Tbc	Tbc	Tbc
Total Revenue	-	1,280	2,560	2,560
Capital				
Income				
N/A	(-)	(-)	(-)	(-)
Costs				
N/A	-	-	-	-
Total Capital	-	-	-	-
Considered By:	Cabinet			
Date:	17-10-17			

Financial Services Comments

The report makes two recommendations:

Recommendation 1

Requests that the Council signs a partnership agreement with Babergh Mid Suffolk Council to enable the delivery of 4 rapid charging units on Council owned land in the district. Babergh will deal with the end to end process from planning permission to delivery and draw down grant accordingly and hand over the completed units following installation.

A sum of £2,500 is available for the Council to charge officer time to as Officers will need to identify sites, deal with issues arising and plan for future maintenance and insurance costs.

Babergh are currently working on a maintenance contract that the Council may be able to access but at the time of writing this proforma B, the costs of maintenance are an estimate. No data is available to support potential usage and there is a risk that costs may exceed income.

Operationally, Facilities Management have identified issues that may arise such as dealing with customers using the charging points, particularly when they are not working and also the resources required for ongoing management of the charging points but that is not dealt with in this proforma B.

The estimate of costs and income are shown in the table above (assumed 6 months from 18/19) and this is a 10 year commitment.

This appraisal is valid for 1 month from issue date

If there are changes to the original report it may invalidate this document & must be reviewed by Finance.

PROFORMA B

If the council agrees to sign the partnership agreement, the assets (the charging points) will be valued upon completion and transferred to the Council. If income can be drawn down for officer time, this will be dealt with at the time and is not assumed in the table above. No grant funding will be payable to Breckland Council directly other than for officer time.

Recommendation 2

It is assumed that there are no cost implications of recommendation 2 as it simply requests that officers investigate the installation of further charging points and promote air quality through the use of electric vehicles. If a further option such as street light based charging is identified a separate report to cabinet will be required.

Financial Risk

Partnership agreement 2.2 says Babergh are responsible for “delivery of the project in accordance with the terms and conditions” but at 2.2.4 it says that the “parties who receive monies are jointly and severally liable for the repayment of the grant in the event the Highways England seek to recover all or part of the grant”... The Council is therefore at risk of clawback but is not in control of delivery. This clause should be removed OR the Council’s exposure should be limited to an agreed figure

Overspends are not specifically mentioned and before signing the agreement, officers should confirm that all costs can be funded from Highways England

No data on usage is available to support the break even position and maintenance costs and insurance costs are not yet clearly identified.

Other options eg Highways England liaison with the Town Councils has not been explored in the report.

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05/10/2017

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