

Option	Details	Government Contribution to upfront costs	Operator Contribution to upfront costs	Council Contribution to upfront costs	O&M Council Cost Commitments	Council Revenue Share
Option 1: Borough as an operator (Borough responsible for operating and maintenance costs)	<p>Operator is paid an annual fee from the council to operate/maintain the kit and to provide the software solution over a fixed term of contract. In this scenario, the council takes the utilisation risk of the chargers (as there is a fixed operating and maintenance costs that is paid by the council to Operator), but also, all of the revenue.</p> <p>In this scenario, operator would seek a long-term contract and take the performance liability of the kit, so that where kit needs repairing/replacing (except for vandalism) the operators covers this for the duration of the contract.</p>	60%	0%	40%	Council responsible for 100% of operating and maintenance costs	100% of revenue and profits
Option 2: Borough as an operator (Operator responsible for operating and maintenance costs)	<p>Operating and maintenance costs fees covered by Operator, using the revenue from the chargers. Operator takes the risk on utilisation as the revenue from chargers may not cover operating and maintenance costs - the council takes no utilisation risk in this model but provides some project funding. As a result, Operator has a share of profit (to be negotiated with the council based on contract term and user charging tariffs). Note: profit is calculated after power costs and operating, and maintenance costs are removed from charger revenues. Operator would ideally seek a 10 year plus contract length.</p>	60%	0%	40%	None	Potentially 40%-50% of profits once investment costs are recouped
Option 3: Borough and Operator Partnership	<p>Similar to option 2 above, but with no investment by the council and all risk sitting with Operator. As a result, operator takes a larger proportion of profit share (as above, to be negotiated with the council).</p>	60%	40%	0%	None	Potentially 20%-30% of profits once investment costs are recouped
Option 4: Fully Funded (Zero cost to council funded through private equity)	<p>Operator fully fund the project taking all deployment and utilisation risk associated with the project. Profit (revenue from chargers, after cost of power and operating and maintenance costs are removed) is shared between Funding Partner, Operator, and the Council. In this model, all profits that are generated will go to the Funder until they've recovered their investment, but with reconciliation calculated annually and is based on target returns and term of contract. Expectation would be that in this model the council would get around 10% profit share. As an alternative to profit share there is an opportunity for the Council to be reimbursed a fixed fee (for example 1-2 pence) per kWh that passes through the system but would need</p>	None	100% (through private equity financing)	None	None	Potentially 10% of profits once investment costs are recouped

	further discussion as this would impact tariffs. The typical contract length required in this scenario (in order to be acceptable to infrastructure funding partners) would be 15+ 5 years.					
--	---	--	--	--	--	--