

## ACS Submission – CMA Electric Vehicle Charging Market Study

ACS (the Association of Convenience Stores) welcomes the opportunity to contribute to the CMA invitation to comment on the electric vehicle charging market study. ACS is a trade association representing 33,500 convenience stores across the UK. Our members include Rontec, Motor Fuel Group, BP, Shell and thousands of independent retailers. For more information on ACS see Annex A.

There are 8,380 forecourts across the UK, trading in urban transient locations (40%), residential locations (28%), rural locations (17%), commercial or industrial locations (13%) and motorways (2%)<sup>1</sup>. There are approximately 142,000 fully electric vehicles registered in the UK, with 34,330 electric vehicle (EV) charging points at 12,418 locations, 55% of which are fast charging and 22% are rapid charging. On UK forecourts, there are currently around 252 electric charging devices located at 158 forecourts in the UK<sup>2</sup>.

The Government's Rapid Charge Point Strategy and Ten Point Plan announced welcome commitments to EV charging infrastructure to support the roll-out of EVs in the lead up to the 2030 target for the ban on sales of new petrol and diesel vehicles. However, forecourt retailers will also need support to invest in the expensive infrastructure required to offer accessible charging across the road network for EV users and prevent 'range anxiety'.

There remains a great deal of uncertainty about future transport solutions, including hydrogen, making it difficult for fuel retailers to invest. This could mean that fuel retailers will have to make multiple investments in expensive infrastructure with limited prospects for higher profitability. The Government must provide investment to support fuel retailers throughout the transition to zero, which will continue long after the 2030 ban.

ACS has answered the relevant consultation questions below. Our key recommendations for the market study are:

- Fuel retailers need Government support to invest at the scale and speed necessary to deliver an appropriate amount of infrastructure to support the transition and provide coverage for consumers looking to use EV charging facilities.
- The Government should work with the EV charging sector to ensure consumers have clarity on compatibility of EV charge points.
- The Government should introduce an exemption for electric vehicle charging points and the associated car parking space from the rating list to incentivise investment.
- EV Charging bays must be considered separate from parking bays by Local Authorities in order to ensure maximum parking provision rules are not a barrier to forecourts introducing EV charge points.

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<sup>1</sup> [ACS Forecourt Report 2020](#)

<sup>2</sup> [ACS Forecourt Report 2020](#)

## **THEME ONE**

### **5. How can charge points be effectively deployed to ensure there is sufficient supply to meet future demand? What factors need to be taken into account?**

The Invitation to Comment highlights the fact that 40% to 50% of homes across the UK do not have access to off-street parking. In order to meet future demand, en-route charging will need to include locations across the country, not only main roads and motorway stations.

Forecourt retailers need to install fast and rapid charging points to meet consumers' charging needs on the go. This requires direct connections to the National Grid which are not available at UK fuel retailing sites. This often means fuel retailers must invest in new substations at fuel sites to deliver rapid charge points. The cost of installing substations can run to millions of pounds; for the larger businesses, there are limited prospects to recoup these costs and this is not feasible for smaller businesses.

The Government are prioritising sectors other than forecourts with investments in EV infrastructure, including at-home charging, and on-street charging, with funding for Local Authorities to deliver this. The Government is missing out on en-route charging opportunities, which could be offered by petrol forecourts and convenience store sites, which are located in every community across the UK<sup>3</sup>.

### **6. What incentives are there for private investment in EV charging infrastructure including within the different sector segments? How might incentives need to change for the future growth of the sector and development of competition?**

We welcome the Government's announcement of a charge point network strategy and the increase in the overall Rapid Charging Fund which now stands at £500 million. These are helpful incentives for growth in EV charging, but our members identify that there remain barriers to investment including issues caused by the existing tax regime.

## **Legislation**

The Automated Electric Vehicles Act has the power and potential to mandate EV charging at forecourt sites under the provision to impose requirements on large fuel retailers and service area operators. This is not the right approach to increase EV charging infrastructure. Instead, the Government must incentivise investment, targeted at the most strategically important locations. The Government should introduce an exemption for electric vehicle charging points and the associated car parking space from the rating list. This will provide businesses with the certainty to invest in the new technology without incurring additional tax liabilities.

## **Business rates**

Fuel retailer sites' business rates are based on the turnover of their fuel, shop, and car wash sales. This means fuel retailers pay significantly higher business rates bills than standalone convenience stores, which pay business rates based on the footprint of their store. Currently there is no provision in the VOA rating manual for the assessment of electric vehicle

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<sup>3</sup> ACS Local Shop Report 2020

charging for business rates or the parking spaces that the vehicle occupies to charge, but this is likely to change in future. If electric vehicle charging points are mandated on large fuel retailer sites, their business rates will increase, which could disincentivise investment in EV charging points.

**7. What impact does public subsidy have on private investment incentives; are there any areas/gaps where public support is most likely to be needed?**

Forecourt retailers are committed to expanding the EV charging network but are currently responsible for the sale of billions of litres of petrol and diesel that underpin the movement of goods and people across the UK. The shift away from the internal combustion engine vehicles represents a significant change to the current business model of fuel retailers. As detailed in the Road to Zero Strategy 'Market delivery in action'<sup>4</sup>, ACS members have made significant investments to install charging infrastructure. However, fuel retailers cannot at present make the same profitability from the sale of electric to EV road users. The transition will be particularly difficult for smaller forecourt retailers who will do not have the same resources to fund grid connections. The Government should support forecourt retailers with investment in EV charging and in National Grid connection to ensure that these businesses can provide charge points where they are needed.

**8. What is required in order to ensure that rural / remote communities and those without off-street parking are well served by charging infrastructure?**

The Government can help to serve rural communities with EV infrastructure by supporting fuel retailers to invest in EV charge points. Due to the significant costs associated with grid connection and the installation of charge points, the Government must avoid mandating forecourts to host EV charge points. Instead, the Government can support the 17% of forecourts located in rural areas<sup>5</sup> to provide charging infrastructure for these communities.

**THEME TWO**

**1. What challenges or difficulties related to charge points might act as a barrier to consumers switching from a conventionally fuelled passenger vehicle to an EV and how might these be overcome?**

'Range anxiety' is the key challenge acting as a barrier to EV uptake among consumers. We support an incentive led approach to the expansion of the EV charging network in line with consumer demand. Fuel retailers need Government support to invest at the scale and speed necessary to deliver an appropriate amount of infrastructure to support the transition and provide coverage for consumers looking to use EV charging facilities on the go.

**2. What are the key challenges for consumers already interacting with the sector and how might these change over time as the sector grows?**

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<sup>4</sup> HM Government - The Road to Zero Next steps towards cleaner road transport and delivering our Industrial Strategy, p98

<sup>5</sup> ACS Forecourt Report 2020

Consumers interacting with the sector experience challenges with clarity and compatibility of charge points with their vehicle. There are a range of pump sizes for EV charge points that work with different vehicles, and there exists a number of different apps for different providers. The system is not user friendly, as drivers cannot visit any charge site to charge their vehicle. Closed networks mean that drivers who do not pay to subscribe to the network cannot use its services. Networks are increasingly open, however there is more work to be done in order for the market to function effectively.

Users also experience issues where charging cords become stuck, leaving cars in a charging bay for long periods of time where drivers are unable to unplug their vehicle, leading to parking fines from enforcement officers. The Automated Electric Vehicles Act included requirements for new charge points to be universally accessible. The Government should work with the EV charging sector to reach a position where there is interoperability across open-source networks, with a compatibility programme allowing any app to unlock any existing charge point.

### **3. How do consumers decide which charge point services and providers to use? What information do consumers need to make this decision and at what stage in the decision-making process?**

Consumers rely on EV charging apps to quickly find places where they can charge their vehicle. Users require clear and consistent information on compatibility, whether charge points are rapid or slow, and pricing information. Fuel retailers operate their own online listings of sites and the provision of services, including EV charge points. As the information about service provision is publicly available, the locations of EV charge points are also captured on major search engines and dedicated EV charging point services, such as Zap-Map.

The Government could support the development of a centralised database containing all information about charge points across the UK and the full offering at these sites, to be used by consumers at any point of the decision-making process. Closed networks do not help, as consumers may find themselves near to charge points that they are unable to use.

### **9. What else is required to help ensure that the EV charging sector develops in a way that is responsive to consumer needs?**

In order to solve the issues with 'range anxiety' facing the market, there will need to be a good provision of rapid charging across the UK. If the Government only focuses investment and infrastructure on the strategic road network, motorways and main roads will be the only locations with charge points and there will be significant gaps across other roads and locations. If the Government only focuses investment on street charging, consumers will have access to mainly slow charging, that will not provide a long period of coverage. The Government must come forward with a programme of investment in order to create a complimentary network of rapid or ultra-rapid charge points at key locations including petrol forecourts.

It is also important to note that current treatment of EV charging bays by Local Authorities presents a significant barrier to the development of the EV charging sector across these key locations. Introducing EV charging bays in addition to the parking bays that forecourts have on sight could take retailers over their maximum parking provision. EV Charging bays must

be considered separate from parking bays by Local Authorities in order to ensure maximum parking provision rules are not a barrier to forecourts introducing EV charge points.

## Annex A

### ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



### WHO WE REPRESENT

#### INDEPENDENT RETAILERS



ACS represents almost 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

#### SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

#### MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 13,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

### THE CONVENIENCE SECTOR



In 2020, the total value of sales in the convenience sector was £44.7bn.

The average spend in a typical convenience store transaction is £7.46.



There are 46,955 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 412,000 people.

13% of independent/symbol stores employ family members only.



22% of shop owners work more than 60 hours per week, while 24% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

80% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2019 and May 2020, the convenience sector invested over £585m in stores.

The most popular form of investment in stores is refrigeration.

### OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

#### ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

#### ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

#### ACS LOCAL SHOP REPORT

Annual survey of around 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,700 stores. The Local Shop Report also draws on data from Lumina Intelligence, IGD, Nielsen and William Reed.

#### BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit [www.acs.org.uk](http://www.acs.org.uk)