



Department for
Business, Energy
& Industrial Strategy

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Dear Rachel

I am writing in response to your letter of 29 June with answers to your outstanding questions following my evidence session on 13 June.

What plans does the Government have to secure a return on investment for intellectual property (IP) developed with the support of public R&D funds, for example in new battery technologies?

Investment in Industry led R&D from OLEV, BEIS, Innovate UK (UK Research and Innovation) and the Industrial Strategy Challenge fund is principally managed through Innovate UK's well established mechanisms for public funding.

The process involved calls for projects in specific areas such as low emission vehicle technology, and a peer review process from independent assessors selected from industry and academia. These assessors work to an assessment framework established by Innovate UK. This assessment framework includes consideration to the return on investment for the taxpayer including considerations on intellectual property.

Quite properly IP ownership is a matter for the winning projects. Government takes no formal stake as such. Projects must have a collaboration agreement in place between the project partners that deals with matters such as IP, but Government is not party to that legal agreement. However, as part of the assessment process to select the winning projects we, via our independent assessors, review the business case and exploitation plan for the technology ensuring that there are clear benefits for the UK - which includes the IP generated by the project. IP is expected to be 'anchored' in the UK and exploited for UK benefit by the businesses that are based in the UK.

In addition, on battery technologies, the Faraday Battery Challenge Advisory Group – made up of Cross-Industry representatives - are providing advice to the Challenge on how to enable the UK to be in the best place to keep the IP in the UK in the medium and longer term, working with the larger UK Companies who may look to acquire newly developed IP. The programme is acting on their advice. The Faraday Challenge has an evaluation plan in place. This will include looking at how IP has been exploited by the projects and their success in getting new technologies toward commercialisation.

OLEV, BEIS and Innovate UK have invested over £600m in projects since 2007 (when Innovate UK was established) and impact has been assessed in 2015 with a refresh of this analysis due to be published in the autumn of this year. The 2015 report was reviewed and agreed by BEIS economists before publication.

From the 2015 report a return of investment of £8-14 over 10 years can be seen. The process followed to invest in projects, including project selection and project monitoring remains consistent so we are confident that the 2018 numbers will show a similar impact.

<https://www.gov.uk/government/publications/the-low-carbon-vehicles-innovation-platform-an-impact-review>

Which local authorities have applied for grants from the On-Street Residential Chargepoint Scheme? Which have been awarded a grant? What was the number and value of grants awarded in a.) the period up to January 2018, and b.) since January 2018? How much of this funding pot remains unspent? What consultation did you undertake with local authorities in order to design the Scheme?

Which local authorities have applied for grants?

22 Local Authorities have now applied for funding, a fourfold increase since the turn of the year, looking to install over 850 chargepoints. They are:

1. Royal Borough of Kensington and Chelsea
2. Portsmouth City Council
3. Luton Borough Council
4. Stirling Council
5. London Borough of Lambeth
6. Tadley Town Council
7. South Tyneside Council
8. St Edmundsbury Borough Council
9. Brighton and Hove City Council
10. Lancaster City Council
11. Chelmsford City Council
12. East Lindsey District Council
13. Southend-on-sea Borough Council
14. Coventry City Council
15. West Berkshire Council
16. Buckinghamshire County Council
17. South Norfolk Council
18. Liverpool City Council
19. West Lindsey District Council
20. Cardiff City Council
21. Welwyn Parish Council
22. London Borough of Hammersmith and Fulham

Which local authorities have been awarded a grant?

To date, 13 applications have been approved with over £1m of funding committed:

1. Royal Borough of Kensington and Chelsea
2. Luton Borough Council
3. Tadley Town Council
4. South Tyneside Council
5. Portsmouth City Council
6. Brighton and Hove City Council
7. London Borough of Lambeth
8. St Edmundsbury Borough Council
9. Coventry City Council
10. Stirling Council

11. Chelmsford City Council
12. East Lindsey District Council
13. Buckinghamshire County Council

The remaining authorities are still within the review process.

What was the number and value of grants awarded in: (a) the period up to January 2018; and (b) since January 2018?

In the period up to January 2018 two grants were awarded with a combined value of £76,500. Since January 2018, eleven grants have been awarded with a combined value of £1,108,762.

How much of this funding pot remains unspent?

The budget for the scheme is £4.5m over two years (£2m in 2018/19 and £2.5m in 2019/20). Approximately £1.2m has been committed with approximately £3.3m remaining. However, we expect all of this years' funding to be committed and we are aware of a healthy pipeline of projects preparing to come forward in 2019/20.

What consultation did you undertake with local authorities in order to design the scheme?

Before launching an improved onstreet scheme in December 2016, OLEV worked closely with local authorities and industry to better understand the main barriers for installing on-street residential charging infrastructure and applying to the scheme. Key issues included the complexity of installing traditional charging infrastructure in residential settings, and sensitivities over allocating residential parking for electric vehicles. The current scheme provides greater flexibility for local authorities to meet local needs, and inclusion of new and emerging on-street charging technologies.

What is the value of grants awarded through the Workplace Charging Scheme? How much of this funding pot remains unspent? How many different workplaces have been awarded a grant? How do these figures compare with the uptake that you had hoped to see?

What is the value of the grants awarded through the Workplace Charging Scheme?

£386,700 has been committed through the scheme to date.

How much of this funding pot remains unspent?

The Workplace Charging Scheme budget for 2018/19 will be announced alongside the Road to Zero Strategy.

How many different workplaces have been awarded a grant?

Approximately 1,140 workplaces have benefitted from the scheme from November 2016 to June 2018.

How do these figures compare with the uptake that you had hoped to see?

The uptake of the scheme is positive; applications have increased on average by 15% monthly. We have identified a few factors that could help unlocking the full potential of the

scheme, and the policy is currently under review to ensure the programme is more effective in making chargepoint installations economically viable and encourage more companies to apply to the scheme.

Can you confirm that electricity grid reinforcements installed to meet the demands of residential chargepoints will not be directly passed on to the residents concerned, but instead will be socialised?

For existing domestic premises installing an EV chargepoint, if the total demand of the house is less than the house's fuse cut out, then any additional network reinforcement costs are borne by consumers more generally. The way that charges are distributed in the energy system is principally a matter for Ofgem, but government is keen to see that the needs of EV owners is fairly balanced with those of electricity bill payers as a whole, and that bills are kept as low as possible.

Ofgem are due to launch a consultation on network access and forward-looking charging arrangements soon – found here: <https://www.ofgem.gov.uk/publications-and-updates/reform-electricity-network-access-and-forward-looking-charges-working-paper>

Can you provide any more clarity on when the Road to Zero Strategy is likely to come out? A steer on this, even in confidence, would be highly appreciated.

We are in the final stages of preparing the document, having welcomed the input of many stakeholders and plan to publish shortly.

Best Wishes



**Richard Harrington MP
MINISTER FOR BUSINESS AND ENERGY**