

Meeting of the Executive Members for City Strategy and the Advisory Panel

7 June 2006

Report of the Director of City Strategy

Car Club - Update

Summary

1. This report provides an update on the position regarding the city car club project, which The Executive Member and Advisory Panel are asked to note, together with a recommendation to waive the parking tariff for car club bays within Council car parks for at least the first two years of operation. It is anticipated that further progress will have been made by the time of the meeting, which will be reported verbally. A recommendation on the selected operator will be presented and approval of this is also sought. Launching the club should be feasible towards the end of July or August this year.

Background

2. At the 5 October 2005 meeting, the Executive Member and the Advisory Panel considered a report, which presented several options for the delivery of car club provision in the Council's area.
3. A single tendered contract/partnership was the recommended option. This would allow a commercial operator to run a car club commencing initially on street (and/or in public car parks), to serve latent interest in residential areas already surveyed, and provision from first occupation of several new developments, utilizing Section 106 funding to pump-prime for an initial period.
4. This option was approved together with several additional recommendations, for example, the Council would undertake to provide the necessary works to provide car club bays (car stations), through traffic orders, signing etc. In addition the Council agreed to provide up to £30,000 annually for any supporting works, and to continue securing support from planning applications. The full recommendation/approval is included at Appendix 1.

Car Club Specification

5. Following the above approval the first task was to prepare a specification, which would then be circulated to organisations currently operating car clubs in the U.K.

6. This provided the background as to why York considered a car club an important transport tool, and provided advice on the varying types of provision being sought by the authority, both initially and over the longer term.
7. Operators were asked to detail their programme for development of the club in 6 monthly periods for at least 3 years. Following on from the initial residential surveys the operators were also asked to feedback on the potential to provide aspirational vehicles within the club and also vehicles using alternative fuels.
8. The potential for integrating cycle hire within the club, i.e. car club members can also use a fleet of cycles was considered necessary.
9. Car clubs have important linkages to public transport, with both focused research indicating and operators demonstrating, that club members make increasing use of public transport. Again the operators' views/experience were sought on how such integration could be achieved.
10. Marketing strategies, booking systems, technology, customer care, project management, together with comprehensive monitoring and feedback to the Council, were some areas upon which comment was sought.
11. A mapping base was considered very useful, and this was part of the package sent to operators. This laid out the areas of the city where surveys had been undertaken and positive interest received. In addition the new developments where Section 106 negotiation has taken place, together with reasonably new development areas (such as along Lawrence Street) were also highlighted. A copy will be available in the Member's library and at the meeting.
12. Expressions of interest were sought in late October 2005 from five car club operators. Four responses were received from StreetCar, CityCarClub, Urbigo and Whizzgo, who all indicated that they would wish to receive a tender/specification pack. The specification pack was completed just before the Christmas period and dispatched to these companies. They were asked to provide their detailed submissions by the 3 February 2006.

The Submissions

13. From the four operators expressing initial interest, three very comprehensive submissions were received from Streetcar, CityCarClub and Whizzgo. These companies are the most prominent car club organisations in the UK, having substantial experience of successful operations in several cities including London, Brighton, Bristol, Southampton, Leeds and Edinburgh. On-going negotiation with local authorities and developers is likely to see the number of locations double in the near future. At present the total number of clubs appears to be around 25, with overall membership running into several thousand.
14. These submissions were thoroughly reviewed against the specification sought for York, and follow up presentations/question & answer sessions were undertaken in April with two of the operators, CityCarClub and Whizzgo. The submission by StreetCar was not considered to adequately address key areas

of the specification, such as programmed expansion of the club and financial operational requirements. Further review of the StreetCar submission was therefore not undertaken.

15. The remaining submissions include considerable detail and present differing options, approaches and levels of operation and support. It has therefore been necessary to ensure that they are balanced carefully in order to achieve the optimum scheme for York.
16. Both of the front-running submissions (CityCarClub and Whizzgo) are very positive with respect to bringing a city club to York. The initial detailing on potential number of vehicles is in accordance with our research for the first year, with subsequent expansion over the following years. Indications of potential membership are significantly in excess of assumptions (LTP 2 = 200 members year one) both after initial launch and years 3-5. At face value these indicators are very promising.
17. The submissions also indicate positive approaches to exploration of alternative fuel vehicles, integration with cycle hire and public transport.
18. It is evident that their marketing strategies are based upon extensive (including very recent) experience, and this is clearly an important area from the initial stages prior to launch and continuing through the life of the club. The car club in York will certainly be high profile. Enquires as to the progress of the car club continue to be received from interested residents and potential corporate users, such as the University.
19. In parallel with the above the car club charity CarPlus have approached CYC officers with a view to running a national environmental project linked to York's car club. This major project funded in part by Yorkshire Forward and Defra has the objective of measuring the carbon benefits of car clubs, being part of the Cars Cutting Carbon programme. This will be undertaken by comparing private car use with car club cars.
20. Further information on the content of the submissions and the assessment will be available at the meeting. Some of the content of the submissions is confidential and commercially sensitive.
21. In terms of timescales for launching of the club, both operators have indicated that this could be feasible within a matter of several weeks. This is based on the first cars being located within Council car parks. Therefore it may be towards the middle of the summer, possibly late July or August when the club comes into being.

Potential car locations (by type)

22. As set out in the specification, the operators agree that club cars should be located, on-street, in CYC controlled car parks and within new developments. There is also the real potential of some cars to be located in commercial/corporate/educational areas, from early on in the club's development (e.g. The University).

23. In terms of on-street bays, these would be achieved through a Traffic Regulation Order, requiring a consultation procedure and obviously physical works, i.e. roads markings and signage. The Council gave a commitment to this through the previous report, and the appointed operator, would work with officers to progress on-street bays, as part of a rolling programme.
24. Securing spaces within new developments will be achieved through the detailed planning process, including the necessary orders.

With regard to Council car parks the operators indicate that they would seek to establish cars within them, from the launch of the club. This is because certain car parks have already been identified as being preferred locations through the original consultation and also due to the fact that the process of designating bays should be a simpler and speedier process.

Consultation

No consultation undertaken.

Options

26. Approval of the previous report agreed to a discounted tariff for the bays in Council car parks. Subsequent officer consideration of this (including discussions with the independent advisory charity CarPlus), leads to the conclusion that the Council should waive any tariff for at least the first 2 years of operation, with a review after this period and then annually thereafter.
27. The alternative would be for the Council to impose a charge on the operator for the designation of bays for sole use by car club cars.

Analysis

28. The former option is recommended to the Executive Member and Advisory Panel. This advice does not result directly from the content of the submissions; for example, they do not say that they would expect this. However it should be recognised that car club operations do not become self-financing for at least the first 2 possibly 3 years, and therefore operate at a loss. Any charges imposed by the Council would therefore affect the club's potential to reach self-sufficiency, and possibly development and expansion. Secondly and of equal importance is the fact that the car club is not the same as other commercial organisations in that this will provide a demand management tool, which the Council, (together with the government and leading national transport bodies) have all acknowledged as being important in helping to deliver transport objectives and targets. As an indication the number of bays within public car parks is likely to be less than 12, and this is likely to reduce over a period of time, as more bays are located on street. With this recommendation there is a reduction in revenue to the Council, as the designated bays would not be available for general parking and as such no parking fees would be collected. However greater weight should be applied to the over-riding sustainable transport benefits that will arise from the development of the car club across the city.

Selection of the preferred operator

29. The submissions presented by both CityCarClub and Whizzgo are considered to be very professional and take on board the aspirations the Council has for a car club in York. They have considerable experience in running successful car clubs across the U.K., and would wish to work closely with the Council and other organisations to establish a healthy partnership, with high expectations for expansion.
30. Having reviewed the follow-up sessions, it was evident that the two operators were very evenly balanced. A more formalised way of evaluating the two, through a scoring mechanism of the submissions has been undertaken. Whilst this has some purpose, as a guide, and perhaps in terms of feedback, it is considered that the decision on selection should rely to a great degree on the overall judgement that the chosen operator would deliver a quality car club in York. As is demonstrated from the table the ranking is equal.

Criteria from Specification	Evidence Required	Weighting (%)	City Car Club	Whizzgo
Start up concept; market/users; locations in York	Demonstrate understanding of funding available, types of users and role of Council	15	14	13
Commitment to expand	Detail launch, and following development in 6 month blocks for 3-5 years	15	14	14
Potential for alternative fuel technology	Current fleet and future aspirations	10	8	9
Integration of cycle hire scheme and public transport incentives	Existing arrangements/ partnerships, & the potential for York	10	9	8
Partnership with CYC	Existing undertakings with other LAs & the plan for York	10	10	10
Marketing the club	Detail current examples and process for York	10	8	9
Attracting commercial/corp orporate users	As above. Early integration/operations	10	9	9
Customer care	Ease of use, booking, invoice, technology & support	10	10	10
Monitoring & Reporting to CYC		10	10	10
	Total	100	92	92

Summary - At the time of writing this report the selection process was approaching conclusion, and it is anticipated that an update will be presented at the meeting on the selected operator.

Corporate Objectives

31. The earlier EMAP meeting approved the establishment of a car club in York and the focus of this report is to update Members on subsequent progress. The development of car club provision within the city, is contained within the Council's second Local Transport Plan, which details how we intend to build a sustainable transport network over the next 15 years. Car clubs reduce the number of vehicles on the network thus providing the potential for reduced congestion and air quality improvement. They also encourage smart travel choices, with proven increased trips by public transport, cycle and on foot. Being part of LTP2, the car club also supports other wider quality of life objectives such as those contained within the Community Strategy (Corporate Aim 1 : Take pride in the city, by improving quality and sustainability)...Objective 1.3 : *Make getting around York easier...less damaging to the environment.* Specific deliverables to *reduce congestion and the environmental impact and the encouragement of small, low emission vehicles*, are clearly supported by the car club. The Air Quality Action Plan makes specific reference to car club provision..

Implications

Financial Implications

32. Financial commitments were set out in the previous report. In brief the Council's commitments relate to a maximum annual allocation of £30,000 to support minor improvements for car club locations; the delivery of car bays on street, involving the processing of Traffic Orders, some of which would be off-set by developer 106 funding.
33. The reduced revenue resulting from the recommendation to waive the parking tariff, is estimated to equate to a maximum of £7000, over the 2 year period. This is based on a maximum number of 12 car club bays, and as indicated, this number will reduce as bays are installed on-street and within new developments.

Human Resources (HR)

34. The project is being undertaken by the Network Management team. Call off consultancy service has been provided by CarPlus at no charge to the authority.

Equalities

35. There are no implications.

Legal Implications

36. A contract will be prepared for the partnership arrangement between the City of York Council and the selected operator.

Crime and Disorder

37. There are no implications.

Information Technology

38. There are no implications.

Property Implications

39. There are no implications.

Other Implications

40. There are no implications.

Risk Management

41. As highlighted at paragraph 27 there are limited implications (risks) of reduced revenue, resulting from the recommendation to waive charges for car club bays within Council car parks. The potential risks associated with not approving a zero tariff, are set out in paragraph 27. In summary, if charged, such costs have the potential to place a constraint on the self-sufficiency and development of the club. In addition and perhaps carrying more weight, the recommendation is considered to sit comfortably with the Council's transport principles and objectives.

Recommendations

42. That the Advisory Panel advise the Executive Member for City Strategy:
- To note the contents of this report, together with the supplementary update made at the meeting.
 - To agree that a further progress report is presented in the late Autumn.
 - Approval of the recommendation on selected operator (to be presented at the meeting).
 - To approve that for the first two years of operation no parking tariff will be sought by the Council relating to car club bays established within Council car parks. This will be reviewed at the end of this period and annually thereafter.

Reason: To encourage the development of a car club in the city in accordance with Council Policy and wider objectives.

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Report Approved Date

Wards Affected

All



For further information please contact the author of the report

Specialist Officers Consulted: Patrick Looker, Finance Manager, City Strategy.

Background Papers: EMAP report 5/10/05

Annexes

Annex 1 - Recommendations as approved at EMAP 5/10/05