

CABINET

14 November 2007

A CAR CLUB FOR WINCHESTER

REPORT OF THE HEAD OF ACCESS AND INFRASTRUCTURE

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

This report asks Cabinet to support the introduction of a car club in Winchester as part of the forthcoming Winchester Town Access Plan and the existing Air Quality Action Plan for Winchester.

A car club can provide its members with quick and easy access to a car, without having to own it. They operate as short-term car hire facilities. Car clubs have the potential to reduce the number of cars parked within the urban environment. Studies have demonstrated that the provision of a car club can result in a reduction of the number of cars in a city and a reduction in car miles driven, with members walking or cycling more, using public transport more often or simply re-arranging their journeys and travelling less. Access to a car club makes it easier for people to meet their transport needs without running their own car.

Four commercial car club operators have been approached requesting expressions of interest for the operation of a car club for Winchester. Of the two companies that responded, 'StreetCar' stated that they would only be interested if the City Council would financially underwrite the scheme and 'Whizzgo' indicated that they would be prepared to operate without any such commitment, so long as they were granted sole-operator status for a number of years. It is therefore recommended as scheme is progressed with 'Whizzgo' as preferred operator.

This report makes no request for funding, but does notify members of the possible long term minor financial implications that may occur as a result of the scheme that might lead to a small reduction in parking income.

RECOMMENDATIONS:

1. That Cabinet confirms the City Council's support for the provision of a car club for Winchester and its agreement to provide the necessary parking spaces free of charge for a period to serve such a club.
2. That Officers continue discussions with the car club operator 'Whizzgo' with a view to developing a contract for Whizzgo to provide a car club for Winchester and Cabinet authorises the Portfolio Holder for Planning and Transport under the portfolio holder decision-making scheme to agree terms of operation and the most appropriate method of publicising the introduction of a car club.
3. That Officers investigate the potential for cost savings to the City Council by the possible use of car club vehicles to replace pool cars and other council vehicles.

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##### DETAIL

## 1. INTRODUCTION

- 1.1. The basic idea of a car club is that people can have access to a car without having to own it.
- 1.2. A car club provides its members with quick and easy access to a car for short-term hire and can be an alternative to owning a car for some people. This in turn reduces the number of cars on the road and helps relieve congestion. Members can make use of car club vehicles as and when they need them.
- 1.3. Car clubs work by providing services for both residential and commercial/business members. In the latter case they can enable business users' easy access to vehicles with requiring employees to bring their cars into the city. For residential members they can offer an alternative to private car ownership.
- 1.4. Car club vehicles are provided and maintained by a commercial operator and Members then pay by the hour and mile when they use a vehicle.

## 2. HOW CAR CLUBS WORK

- 2.1. Car clubs are typically located in areas of high density housing with a high demand for on-street parking places. A car club provides its members with quick and easy access to a car for short term hire. Members can make use of car club vehicles as and when they need them. All they have to do is:
  - Book - for as little as half an hour at a time, using telephone or internet. The booking can be made well ahead of time or with a few minutes notice.
  - Unlock - cars are located at designated parking bays in the local area and are normally accessed using the member's 'smart card'.
  - Drive – Once inside the driver enters a pin and drives away, returning the car at the end of the journey. It is possible to extend the booking if necessary.
  - Pay – most schemes offer a simple Pay-as-you-go charge which includes fuel and maintenance costs. Payment is made automatically through the members' account.
- 2.2. According to the literature produced by the companies, the criteria for a club appear to be met in Winchester Town area:
  - Parking pressures in the town centre;
  - Central Controlled parking zone – with a lack of driveways/garages;
  - Good public transport links and network;

- New town centre housing developments being planned;
- Strong business community with potential for corporate use of the car club.

2.3. The nearest car clubs to Winchester are located in Portsmouth, Southampton, Poole, Reading and Bristol and a large number in London. Throughout the country their popularity is spreading with substantial operations in Leeds, Manchester, York, Liverpool and other cities.

2.4. The scheme in operation in Southampton is run by 'Whizzgo'. This has been in operation just over a year. Officer discussions are scheduled to take place with Southampton City Council on the operation of their scheme.

### 3. BENEFITS

3.1. Studies have demonstrated that the provision of car clubs result in a reduction in car miles driven, with members walking or cycling more, using public transport more often or simply re-arranging how they make journeys and travelling less. Belonging to a car club makes it easier for people to meet their transport needs without running their own car, or in some cases without owning a second car. This means people are free to choose the best option for each journey. Research in the UK and overseas has found significant changes in travel behaviour once the link between car use and car ownership is broken. Car club members typically drive less and make more use of public transport, cycling and walking.

3.2. In the UK, former car owners increase their use of non-car transport modes by 40% after joining a car club. Two-thirds of those who owned a car before joining saw their mileage fall, by an average of around 25%.

3.3. Car club users typically give up owning a first or second car on joining; others defer purchasing one due to using the car club instead. The result being that each car club car typically replaces between 6 and 19 private cars. In a city where many cars owned are parked 'on-street' this can have complementary benefits for residents who choose not to be take advantage of a club in that it can reduce on-street parking pressures.

3.4. As most car clubs place an emphasis on the use of modern low-emission vehicles there can be supplementary benefits where such vehicles replace older, less efficient models, especially in places such as Winchester with an Air Quality Management Area.

### 4. LOCAL AUTHORITY ROLE

4.1. Local Authorities can have a practical role to play in the development of car clubs. One key role is assistance in the provision of car parking. This can be through processing Traffic Restriction Orders (TROs) to provide legally enforceable, marked on-street parking bays, or by negotiating for off-street bays in car parks, workplaces, transport hubs or new developments.

4.2. Its is thought that Local Authorities would also have a role to play in the publicity of any car club as their use will often tie in with strategies for Air Quality and Climate Change.

- 4.3. Some Local Authorities have chosen to 'pump prime' car club schemes, however in the case in London and some other cities there it has already been demonstrated that there can be a commercial value to car clubs.
- 4.4. It is anticipated that a number of future developments being planned in the Winchester District may require or benefit from the inclusion of car clubs, for example the Silver Hill development will have a car club included. Such developments will also contribute to an increase in both residential and business use activity which is attractive to the car club operators. However, a pilot scheme in advance of any car clubs associated with new development would assist the Council in assessing the viability and success of such schemes and their role in the future.

## 5. IMPLEMENTATION OF A CAR CLUB FOR WINCHESTER

- 5.1. Hampshire County Council supports the introduction of car clubs in Winchester as recognised by the County's Second Local Transport Plan 2006/07–2010/11 and the provision and support for car clubs is identified as an Action point in Winchester's Air Quality Action Plan.
- 5.2. The successful operator would be expected to work with the Council to set up and run a car club. Apart from the parking spaces provided for an initial time period, the operator would be expected to be financially independent. In the longer term the Council could seek to share in the success of the car club through charging an appropriate rate for parking spaces and also through discounted corporate membership and staff benefits, in the short to medium term it is anticipated that we would need to offer free parking spaces as an incentive to any operator.
- 5.3. There are four commercial car club operators in the UK; these are Streetcar, Whizzgo, Zip Cars and City Car Club. Officers have invited these operators to express an interest in establishing a Winchester car club. Of the four, only two have responded with a written representation; Streetcar and Whizzgo.
- 5.4. Streetcar currently operates in London, Southampton, Brighton and Maidstone and is now working to provide a car club in Guildford. Whilst they have no plans to establish in Winchester, they would be interested in supplying and managing a car club for Winchester if the local authorities were to subsidise the cars to ensure a guaranteed income. As the indicative annual support for the scheme being set up in Guildford could cost that council up to £6,000 per vehicle per year, it is not recommended that we consider this option further.
- 5.5. Whizzgo are prepared to operate a car club in Winchester without any financial underwriting by the Council.
- 5.6. Whizzgo currently operates in London, Southampton, Brighton, Leeds, Worcester, Newcastle, Manchester, Sheffield, York and Liverpool. Whizzgo uses Citroen cars as standard; this is due to the fact that Citroën is a leading manufacturer in the development of low emission cars, winning the 2006 & 2007 "Greenfleet" Car Manufacturer of the Year award. Whizzgo look to provide as low CO<sub>2</sub> emission vehicles as possible whilst suiting the needs of the anticipated users.
- 5.7. Whizzgo's proposal would involve the Council providing the required parking spaces free of charge for the duration of the agreement and carrying out any parking

enforcement required, they would look to providing four or five cars in the first instance, and have suggested the following locations

- Close proximity to the rail station / HCC (*possible location – Gladstone St car park*)
- Close to the bus station / town centre (*possible location – Middle brook St car park*)
- Close proximity to WCC / town centre (*possible location – Guildhall Yard car park*)
- Close to the cathedral

5.8. Whizzgo comment that the duration of the contract is negotiable, but would prefer a ten year contract with the council to reflect dedication on both sides and allow Whizzgo to get a return on its investment. Whizzgo are prepared to provide additional vehicles once demands for the initial scheme are exceeded.

5.9. The following illustrates a comparison of Whizzgo car club operations in other cities:

<b>City</b>	<b>Population</b>	<b>Car Club vehicles in operation</b>
Southampton	229,000	7 with a further 3 planned
Brighton	156,000	5
Leeds	457,000	13
Liverpool	447,000(core)	4
Sheffield	526,000	5
York	192,000	6
Manchester	452,000 (core)	5

5.10. On the basis of the information outlined in the paragraphs above it is recommended that we work with Whizzgo as preferred operator of a car club in Winchester.

## 6. RESOURCE IMPLICATIONS:

6.1. As there is no identified available budget to 'pump prime' a car club for the city, any operation will need to be undertaken on a commercial basis. Fortunately, as it would be 'Whizzgo' running the car club; not the City Council, the cost of implementing a car club for the Council is low.

6.2. Any costs falling on the City Council would be in relation to the extent to which they would wish to publicise the car club via our website and local media, as well as providing the parking spaces. Therefore it is anticipated that existing publicity budgets could cover the cost of promoting the car club.

6.3. As studies have indicated that each car club vehicle has the potential to remove between 6 and 19 private cars from the road, there are financial implications for the loss of revenue that these vehicles might otherwise bring. Allowing for a mix of 1<sup>st</sup> and 2<sup>nd</sup> car permits in residents parking zones and a few season tickets an estimated loss of revenue could be between £1,000 and £2,000 per car club vehicle provided. This loss of revenue must be weighed against possible environmental and social improvements, on which it is difficult to place a financial value.

6.4. There is also the possibility of a small loss of revenue to the Council in providing spaces for car club vehicles in off-street car parks, however as very few car parks ever operate at full occupancy and the number of spaces required for a car club is very small, any loss due to the non-availability of spaces for non-car club users is likely to be negligible. These will be as a result of a possible reduction in revenue from some

On and Off-street parking spaces, as well as a potential reduction in the number of residents parking permits and season tickets purchased.

- 6.5. Each car club vehicle requires only one allocated space, located either on or off street. Members collect the vehicle from the allocated space and return it to the same space at the end of the hire period.
- 6.6. Winchester City Council and Hampshire County Council could be corporate users of the car club cars, enabling the use of the vehicles by officers for work purposes during office hours. Such an operation does have the potential to save money on the cars currently operated as 'pool cars' by a number of departments, and it is suggested that further work be carried out to evaluate the potential for such savings.
- 6.7. There will be a number of legal matters that will need to be covered in a contract with the preferred operator, Whizzgo, which will need to address the following issues:
  - Timescale - we will seek the operation of a car club for a number of years in exchange for an exclusivity agreement and the provision of a number of on and off-street parking spaces.
  - Any 'exclusivity' agreement is dependent upon Whizzgo's charges being comparable to other car club operators.
  - The need to review the operation of the scheme at appropriate intervals during the contract period.

#### OTHER CONSIDERATIONS:

##### 7. CORPORATE STRATEGY (RELEVANCE TO):

The corporate strategy 2007 states that over the next five years the City Council will:

- Improve air quality in Winchester town centre
- Reduce our emissions of 'greenhouse' gasses and assist others to do the same

Therefore the development of a car club for Winchester is compatible with both of the above objectives.

The well being power in the Local Government Act 2000 enables the Council to provide assistance to improve the economic, social or environmental well-being of its area. Assistance in advertising and provision of free parking spaces for a car club would come within this provision. In exercising the power the Council has to have regard to any relevant provision in the Community Strategy, which in this instance is the need to provide a High Quality Environment (outcome 4) and an Inclusive Society (outcome 5). The statutory guidance and limitations on the use of the power would not prevent assistance of the type outlined from being offered.

BACKGROUND DOCUMENTS: Expressions of interest from Streetcar and Whizzgo

APPENDICES: None