

Item No.	Classification: Open	Date: 3 April 2018	Meeting Name: Cabinet Member for Environment and Public Realm
Report title:		Car Clubs Strategy	
Ward(s) or groups affected:		All	
From:		Director of Environment	

RECOMMENDATIONS

1. That the cabinet member for environment and public realm introduce a revised fixed bay car club service contract whereby any Carplus (1) accredited operator can apply for on-street fixed car club bay permit dependent upon approval by the council, and provided they meet criteria and sign up to a new service contract that commits them to specific monitoring requirements and performance indicators. The specifics of the fixed bay scheme proposals are detailed in section 12.
2. That the cabinet member for environment and public realm introduce a revised car club service contract which allows an all-Southwark car club parking permit specifically for use by flexible car sharing vehicles. This would allow the formalisation of a flexible car sharing scheme in the borough by allowing Carplus accredited operators to apply for all-Southwark permits and sign a service contract. These permits will allow these vehicles to park in all controlled parking areas of Southwark with the exception of certain excluded bays and streets. Specific proposals are detailed in section 13.
3. Objectives of these recommendations:
 - Keep pace with change - The urban mobility and car sharing market continues to evolve and innovate at a rapid pace. The council needs to keep pace with these changes in order to maximum financial revenues and ensure schemes are managed to the benefit of residents and the borough.
 - Increase competition - In the fixed bay market Zipcar has a monopoly in the borough and other operators are at a disadvantage by not being able to occupy on-street bays thereby suppressing competition and resident choice.
 - Maximum revenue - Currently the council is not receiving the level of income it could potentially receive from car sharing activities. This is particularly the case with flexible car sharing where Zipcar is already operating in uncontrolled parking areas without any financial benefit to the council.
 - Continuity with other boroughs – Lambeth and other neighbouring boroughs have already formalised arrangements with flexible operators or they are at an advanced stage of negotiations. Southwark could find itself surrounded by boroughs where the Flexible services are in operation and Southwark will have limited influence on how these services develop and progress.

BACKGROUND

4. Fixed car club bays: Southwark currently has 115 on-street Fixed (also known as back to base) car club bays with an additional 13 or so private off street bays. The majority of the on street bays are clustered in the north of the borough and around the East Dulwich areas

(refer to map of Zipcar bays in Appendix B). All on-street bays are occupied by Zipcar and it has approximately 10,000 members living in the borough.

Carplus is a UK based not-for-profit, environmental transport NGO working for accessible shared mobility <https://www.carplusbikeplus.org.uk/>

5. The council had an exclusive contract with Zipcar to provide a car club service in Southwark which lapsed in September 2016. Zipcar have continued to operate from on-street bays by paying for annual parking permits on a rolling basis. In the absence of any formal agreement, the council's present position is that any Carplus¹ accredited operator can apply for a permit to occupy bays in the borough although this has not been communicated to operators. To date this situation has not resulted in any issues however it does mean that the council has limited mechanisms for managing and monitoring operator activities, and additional contractual controls are preferred.
 6. Enterprise Car Club (formerly City Car Club) are also operating in the borough with a limited number of off-street fixed bays tied to development related Section 106 agreements. They have indicated that they would be interested in occupying up to an additional 30 on-street fixed bays. Enterprise has approximately 400 members living in the borough.
 7. There is one other fixed bay car club operator that is likely to have an interest in occupying bays in the borough. It is Ubeequo (Europcar is majority shareholder) however to date they have not provided any firm commitments and they are not present in neighbouring boroughs.
 8. Flexible car clubs: In July 2017 Zipcar (owned by Avis Budget) commenced operations of their new Flexible (free-floating) car sharing scheme called Zipcar Flex across a number of Central South London boroughs including the uncontrolled parking areas in Southwark. There are currently approximately 60 Zipcar Flex vehicles operating in the borough. The council has no control or influence on these Flexible car sharing activities because it takes place outside of controlled parking zones and as a result receives no income from Zipcar.
 9. DriveNow (BMW/Sixt) have operated a Flexible car sharing scheme in a number of North and East London boroughs since 2014. They are known to be keen to expand South of the River Thames but are looking for a contiguous operating area with operations in boroughs adjoining both sides of the river. They have 800 members living in the borough.
 10. Ubeeqo (Europcar) operates Flexible car sharing vehicles in Islington using a Universal permit system however because it is confined solely to one borough it is best described as a hybrid Flexible/Fixed scheme.
 11. Fixed Point to Point: BluePoint London (Bolloré) has installed 13 electric vehicle charging stations in the borough with plans to install a further 50. In a number of other London boroughs they have introduced their BlueCar Point-to-Point electric vehicle car sharing service (similar to the Autolib scheme they operate in Paris). They are known to want to establish the similar operations in Southwark with vehicles operating between the BluePoint charging stations.
 12. The specifics of the fixed bay scheme proposals include:
 13. Zipcar are allowed to continue to retain their 115 bays (however we will reserve the right to reallocate bays certain high density areas to improve competition amongst operators)
 - Allow the introduction of additional on-street bays (initially limited to a maximum of 30). New bays will not be approved in areas of existing high provision of car clubs. Any Carplus accredited operator other than Zipcar will be allowed to apply for these bays. The operator will be expected to cover the cost of introducing the new bay,
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including traffic management costs however in return their first year permit fee will be waived;

- All new CPZs will have designed in fixed car club bays.
- Operators required to sign a 3 year Service Contract (with possible 1 year extension) committing them to providing monitoring data and performance indicator information alongside other terms and conditions that enable robust management of their operations and protect users in the borough;
- Quarterly review meetings to agree any amendments and discuss issues;
- Increase the Fixed bay permit price from £472.50 to £1200 (in CAZ & Bermondsey) or £750.00 (rest of borough) with a £300 discount for electric vehicles; and a
- Total ban on diesel cars. All vans will be at least Euro 6 diesel if not petrol or plug-in electric.

14. The specifics for the flexible car club scheme include:

- Initially a maximum of 160 vehicle permits allowed, split evenly between 2 operators (80 vehicles each);
- Staggered introduction of vehicles across the borough;
- Operators are required to sign up to a 3 year Service Contract (with possible 1 year extension) committing them to providing monitoring data and key performance indicator information alongside other terms and conditions that enable robust management of their operations and protect users in the borough;
- Quarterly review meetings to agree any amendments and discuss issues;
- Introduce a Flexible permit price of £1500 (with a £300 discount for electric vehicles);
- Inclusion of excess vehicle fee to ensure fair payment for vehicles;
- Inclusion of a penalty clustering fee to ensure operator has a robust vehicle distribution strategy;
- Review areas and streets that will need to be excluded from the permitted zone and geo-fenced due to existing severe parking stress or irregular parking restrictions (street markets, peak hour bus lanes, etc);
- Total ban on all diesel vehicles; and minimum proportion of ultra low emission vehicles in fleet.

Financial implications

15. Southwark parking services currently receives £54,337.50 from Zipcar operations. As part of the budget setting process for 2018/19, council agreed an additional income target of £100k on car club permits. The income from these proposals will be monitored against this income target for 2018/19 and future years.

Community impact statement

16. Residents and stake holders offered strong support for car sharing proposals in the consultation on the Southwark Kerbside Strategy; these proposals show the Council is reflecting these responses.
17. There will be greater choice and options for residents to give up car ownership or never buy a car in the first place, resulting in decreased car ownership in the borough. This in turn will help reduce parking stress and enable the reallocation of kerb space to sustainable modes and uses.
18. In areas where there are high parking pressures which are known or there are issues with the clustering of vehicles these areas may be excluded from the scheme through geo-fencing on the apps/navigation systems used by the car club operators.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

19. This strategy matches with Transport planning's Kerbside strategy and has been a collaboration between Transport planning and Parking.

Director of Law and Democracy

20. This report seeks approval of changes to the existing on-street parking service through the introduction of new and revised fixed bay and flexible car club permit scheme contracts. The Localism Act 2011 provides the council with appropriate legal powers to enter into the proposed contracts.
21. Consideration has been given to the issue of whether the proposed new arrangements would be classed as concession arrangements under the EU procurement regulations. In relation to both the fixed bay and flexible schemes the “concessionaire”/scheme operator would be exposed to an operating risk involving “real exposure to the vagaries of the market”, meaning that any potential estimated loss is not merely nominal or negligible and also that the operator is not guaranteed to recoup its investment in supplying the services. However, the report notes that, for both schemes there may be more than one (Carplus accredited) operator delivering the same service, thereby offering customer/user choice and this would negate the existence of a concession. In any event, any arrangement which satisfies the definition of a concession would only become subject to the application of the EU regulations if the estimated value of the arrangement exceeds £4.55 million.
22. As a public body the council should be transparent and fair in its selection of the scheme operator/s but is otherwise free to award the contract to any operator.
23. Under Part 3D of the council constitution the agreement of statutory and other strategies in relation to their areas of responsibility is expressly reserved to the Individual Cabinet Member.

Strategic Director of Finance and Governance

24. The report is requesting the cabinet member for Environment and Public Realm to agree the revised car club strategy on fixed and flexible car club bays within the borough. Full details and background are contained within the main body of the report.
25. The strategic director of finance and governance notes that these proposals will be monitored against the £100k income target agreed by council as part of the 2018/19 budgets. Any additional income generated beyond this target will need to be monitored and incorporated as part of the council’s budget setting process for future years.
26. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Kerbside Strategy	Tooley Street	Sally Crew

APPENDICES

No.	Title
Appendix 1	Benchmarking car club schemes central London
Appendix 2	Map showing existing car club locations

AUDIT TRAIL

Lead Officer	Ian Smith, Director of Environment		
Report Author	David Sole, Parking Services and Development Manager		
Version	Final		
Dated	March 2018		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	No	
Date final report sent to Constitutional Team		29 March 2018	