

Decision Maker: Environment Portfolio Holder

**For pre-decision scrutiny by the Environment PDS
Committee on**

Date: 28th February 2012

Decision Type: Non-Urgent Executive Non-Key

Title: CAR CLUBS IN BROMLEY

Contact Officer: Steven Heeley, Senior Transport Planner
Tel: 020 8461 7472 E-mail: steven.heeley@bromley.gov.uk

Chief Officer: Nigel Davies, Director of Environmental Services

Ward: All

1. Reason for report

This report sets out the potential expansion of car clubs in Bromley and seeks Member approval to implement up to fifteen new car club bays in the Borough during 2012/13, subject to statutory consultation.

2. **RECOMMENDATIONS**

That the Environment Portfolio Holder:

- 2.1 Approves the fifteen proposed locations for car club bays, subject to local and statutory consultation;
- 2.2 Authorises Officers to proceed with a tendering exercise to appoint a commercial car club operator to manage the approved locations;
- 2.3 Delegates authority to the Director of Environmental Services to implement alternative bay location(s) in consultation with Ward Members and the Portfolio Holder, should valid objections be received during the consultation process;
- 2.4 Agrees that the cost of a car club permit be set at £200 per annum.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Quality Environment. Vibrant Thriving Town Centres.
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Financial

1. Cost of proposal: Estimated cost - £15k to implement 15 car club bays.
 2. Ongoing costs: Non-recurring cost. net nil
 3. Budget head/performance centre: TfL funding for car clubs.
 4. Total current budget for this head: £15k in 2011/12 of which £6.6k is the uncommitted balance and £10k in 2012/13.
 5. Source of funding: Transport for London funding
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Staff

1. Number of staff (current and additional): 4
 2. If from existing staff resources, number of staff hours: 100
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Each car club vehicle attracts usage on average from 35 members. Fifteen bays could lead to over 450 member sign-ups from residents. This in turn could lead to a reduction of up to 300 privately owned vehicles that would have either been sold, or not purchased. (See 3.13)
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments:

Councillor Bance on behalf of Penge & Cator Councillors, supported the bays proposed in their Ward.

Councillor Jefferys supported the proposals.

Councillor Milner felt the scheme was worth trying.

3. COMMENTARY

Background

- 3.1 Car clubs give residents access to a vehicle on a pay-as-you-go basis. This can be for those who do not want to own a car but still have the occasional need for one, or for multiple-car households who could reduce their reliance on additional vehicles. Businesses within the Borough could also make use of the clubs in place of pool vehicles.
- 3.2 Car clubs are operated by private commercial operators with the vehicles parked in reserved on-street parking spaces, determined by the Council. Operators are required to apply and purchase an individual car club permit restricted to one vehicle for a designated bay.
- 3.3 Car club demand is generally greatest where concentrations of population provide a high density of potential car club users in close proximity to a car club bay. Demand is also increased where parking pressures exist including limited on-street car parking and also in areas of high public transport accessibility, reducing the need for residents to own a car. Bay locations near workplaces also provide potential utilisation of the vehicle during the working day.
- 3.4 The car club concept has witnessed significant growth across London over the last five years with the number of members rising from 26,000 in December 2007 to 132,000 in January 2011. To match the demand of members, the number of car club vehicles in Greater London now exceeds 2,500.
- 3.5 Whilst Bromley already has around 500 residents signed up to a car club (by implication mainly using clubs outside the Borough), only two on-street car club spaces are currently provided within the Borough. Both were secured through the Development Control process with one situated on Sherman Road, Bromley North (operated by City Car Club) and one in Orpington High Street, connected to the Village Hall development (operated by Hertz on Demand). In addition, a further car club vehicle, operated by Hertz on Demand, has recently begun operation at Trinity Village, Bromley Common (formerly known as the Blue Circle site), however this is located in an off-street bay on private land.
- 3.6 At present, Bromley has one of the lowest levels of car club provision across the 33 boroughs, although levels are comparable to neighbouring borough, Bexley. The Greater London average provision of car clubs vehicles per 10,000 head of population is three; the Outer London average is 1. As can be expected, provision within Inner London boroughs is considerably higher.
- 3.7 Transport for London (TfL) have historically supported the creation of on-street parking infrastructure for car clubs by assisting and funding London boroughs. Bromley submitted a bid in February 2011 and were successful in gaining £25,000 over 2011/12 and 2012/13 to implement up to 15 bays across the Borough.

How Car Clubs Work

- 3.8 A car club provides members with access to a vehicle quickly and flexibly on an hourly, daily or weekly basis.
- 3.9 Vehicles can be booked 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.
- 3.10 Once booked, the member uses their provided smart card to unlock the vehicle which is parked in a designated on-street bay. 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, subject to

availability. Each vehicle is equipped with a fuel card, providing a simple payment option at no expense to the member.

- 3.11 Pay-as-you-go charges differ per operator and range from around £4.50 to £6.50 per hour, depending on the type of vehicle. Charges for daily hire are around £49. Hire charges include insurance cover, Congestion Charge, breakdown cover and typically fuel up to around 30 to 40 miles before being charged at around 19p to 25p per mile.
- 3.12 Following completion of the hire period, the vehicle is returned to the dedicated on-street bay from where it was collected.

Benefits of Car Clubs

- 3.13 Car clubs can reap benefits for both the individual and for the wider community:-

- **Benefits to the Individual**

Car clubs are proven to influence individual travel behaviour. Carplus, the national charity and accrediting body for car clubs in the UK, found through its Annual Car Clubs survey of 8,000 members, that over a third of users have reduced the number of vehicles owned by their household since joining a club. This in turn brings about cost savings of owning and operating a car. The average mileage driven by a car club member in 2010 was 450.

- **Reduced congestion / parking pressures**

The Carplus survey supported previous research that proved on average, each car club vehicle represents a reduction in over 20 privately owned vehicles that would have either been sold, or not purchased. Fewer cars on the road means less congestion, improved journey times, and fewer parking spaces required. Car clubs can also support the introduction of CPZs (Controlled Parking Zones) by giving residents a cheaper option than paying out for a parking permit for their own car.

Potential Demand in Bromley for Car clubs

- 3.14 The demand for car clubs is largely influenced by population density, public transport accessibility and population demographics. Bromley-specific research has been carried out to understand where in the Borough the introduction of car clubs would have greatest potential.
- 3.15 Car club demand is generally greatest where concentrations of population provide a high density of users in close proximity to the car club bay. Much of the southern part of the Borough has low population density. Areas with the highest population density are around Anerley, Penge and Beckenham in the north west of the Borough. Within Bromley itself, high levels of population density are evident north of the town centre.
- 3.16 High public transport accessibility is proven to support the success of a car club. Individuals are more likely to join a car club where good accessibility provides them with alternatives to the car. Bromley Town Centre, Clock House, Anerley and Birkbeck all have particularly good accessibility to public transport.
- 3.17 Young professionals and families with modest household income are typically most susceptible to changing travel behaviour through car club usage. Many potential users will commute from the local area to Central London by train and only require the use of the car in their leisure time. Most will have driving licences and average levels of car ownership. Such demographic groups have the greatest potential to consider joining a car club and are found in and around Bromley town centre, and further west towards Beckenham and Penge.

3.18 Using a combination of the three influencing factors, locations in the Borough with potential demand for car clubs have subsequently been identified.

Proposed on-street locations for car clubs in Bromley

3.19 Mapping the potential demand for car clubs has allowed target areas to be identified in which further, more detailed site investigations could be made. Through the use of strict selection criteria, all proposed locations have attempted to avoid locations directly outside residents' houses, the conversion of well used Pay & Display bays, or use of bays in secluded locations without adequate lighting or personal security.

3.20 Ward Members have been consulted on twenty five potential locations. Fifteen bays with the greatest potential are being proposed to be taken forward for implementation in 2012/13, subject to statutory consultation with local residents. The remaining ten locations will be reserved for either future implementation or as substitutes should any of the fifteen not be favoured at formal consultation stages.

3.21 Four car club operators have been informally consulted on the twenty five locations in order to better understand which will be most suitable to their operations. Three of the operators responded, and their comments have informed the selection of the fifteen bays proposed for implementation. Further minor amendments to the fifteen locations may be necessary following consultation with operators.

3.22 The fifteen proposed locations are:

Location		Ward
Aldermary Road	Eastern side of Aldermary Road, nearest to the junction with Glebe Road	Bromley Town
Cromwell Avenue	Eastern side of Cromwell Avenue, opposite Foresters House	Bromley Town
Florence Road	Western side of Florence Road, nearest to the junction with Glebe Road	Bromley Town
Station Road	North-western side of Station Road, nearest to the junction with Glebe Road	Bromley Town
Albemarle Road	Southern side of Albemarle Road, nearest the junction with St Georges Road	Copers Cope
Brackley Road	North-eastern side of Brackley Road, nearest to the junction with Worsley Bridge Road	Copers Cope
Church Avenue	South-western side of Church Avenue, nearest to the junction with The Drive	Copers Cope
Park Road	North-eastern side of Park Road, nearest to the junction with Ingleside Close	Copers Cope
Cedars Road	North-eastern side of Cedars Road, nearest the junction with Clock House Road	Clock House
Ravenscroft Road	South-eastern side of Ravenscroft Road, nearest to the junction with Pelham Road	Clock House / Penge & Cator
Franklin Road	South-western side of Franklin Road, nearest to the junction with Maple Road	Penge & Cator
Howard Road	North-eastern side of Howard Road, nearest to the junction with Maple Road	Penge & Cator
Oakfield Road	South-eastern side of Oakfield Road, nearest to the junction with Laurel Grove	Penge & Cator

Durham Road	South-eastern side of Durham Road, nearest to the junction with Hillside Road	Shortlands
Valley Road	South-western side of Valley Road, nearest to the junction with Shortlands Road	Shortlands

3.23 Ten further 'reserve' locations have been proposed which are considered to have potential. These are:

Location		Ward
Cromwell Avenue	Western side of Cromwell Avenue, nearest to the junction with Pinewood Road	Bromley Town
Cromwell Avenue	North-eastern side of Cromwell Avenue, nearest to the junction with Pinewood Road	Bromley Town
Pinewood Road	Pinewood Road, nearest to the junction with Cromwell Avenue	Bromley Town
Westgate Road	Northern side of Westgate Road, nearest to the junction with Albemarle Road	Copers Cope
Ravenscroft Road	North-western side of Ravenscroft Road, nearest to the junction with Pelham Road	Clock House / Penge & Cator
Durham Road	South-eastern side of Durham Road, nearest to the junction with Hillside Road	Shortlands
Durham Road	South-eastern side of Durham Road, nearest to the junction with Hillside Road	Shortlands
Hillside Road	North-eastern side of Hillside Road, opposite Dukes Way	Shortlands
May's Hill Road	Eastern side of May's Hill Road, nearest to the junction with Colebrooke Rise	Shortlands
St Mary's Avenue	South-western side of St Mary's Avenue, nearest to the junction with Cumberland Road	Shortlands

3.24 A map showing both the proposed and reserve locations can be found in Appendix 1.

Procurement/Tendering process

3.25 It is proposed to invite tenders from Carplus-accredited car club operators to run a car club operation from the proposed on-street spaces in this report. Currently there are five fully accredited commercial operators, Zipcar, City Car Club, Hertz on Demand, Commonwheels and Greenwheels. All but Commonwheels have operations within London.

3.26 The successful commercial operator would run the bays at their own risk without Council/public subsidy.

3.27 TfL's recommended best practice encourages boroughs to adopt a multi-operator approach to tendered car club bays in order to reduce the monopolistic advantage an operator could potentially gain within an individual borough. However, given that the number of locations proposed is considered relatively small for an operator to be involved with, it is proposed that the tendering process will look to appoint a single operator for the operation of the proposed bays.

- 3.28 As the procurement of an operator requires no direct financial payment from the operator to the Council, tenders will likely be assessed on, but not limited to:
- a) evidence of economic and financial standing in respect of viability to operate the car club operation;
 - b) suitable Public Liability and Employers liability insurance cover;
 - c) evidence of Carplus accreditation;
 - d) the cost of club membership and charge rates;
 - e) and, the quality and environmental performance of the operator.

On-street bay permits

- 3.29 The use of the proposed on-street locations by the successful operator will require them to acquire a specific permit to allow the car club vehicle exclusive use of the bay. A Traffic Order will be required to designate the bay and require the display of a car club permit in the vehicle.
- 3.30 Bromley's car club permits are currently charged at the same rate as the most expensive business permit in the Borough - £200. Should fifteen bays be introduced, this would provide £3k income per annum. This rate is considered reasonable, although it is below the average across other London boroughs, where a permit typically costs between £249 and £1,100. It is however evident that higher permit charges will affect financial viability of a car club operation and in the early stages of expansion, Bromley should be looking to keep the charge at a level that will make setting up an operation in the Borough attractive.

4. POLICY IMPLICATIONS

- 4.1 The expansion of car clubs in Bromley supports objective B3 of the Local Implementation Plan, in which enabling genuine choices of travel mode is committed through actively pursuing the availability of car club bays in areas of proven demand.
- 4.2 Proposal 98 of the Mayor of London's Transport Strategy, adopted in May 2011, commits to working with London boroughs, operators and other stakeholders to support the expansion of car clubs.

5. FINANCIAL IMPLICATIONS

- 5.1 Car club funding from TfL for 2011/12 and 2012/13 will cover the costs of signing, lining, Traffic Orders and associated fees incurred in connection with making available the on-street parking bays, estimated to be £15k. An uncommitted balance of £16.6k is available to meet these one-off costs.
- 5.2 The cost of parking enforcement for the car club bays is expected to be negligible given that the bays are provided mainly within existing controlled parking zones and therefore part of the routine patrols of parking attendants.
- 5.3 Location 15 (Aldermary Road) & 23 (Cromwell Avenue) are currently Pay & Display bays. The current average annual income of the bays is £1,845 and £1,418 respectively. Whilst it is anticipated that the majority of the displacement will be covered by the remaining pay and display bays, some income could be lost at times when all bays are utilised.

5.4 Net income of £2.5k will be generated from the sale of the car club permits after allowing for administration costs of the permits. This net income will be used to offset any loss of income from the pay and display bays that are being replaced with car club bays.

Risk

5.5 Car clubs in the Borough would be operated by the successful operator at no financial risk to the Council. No subsidy will be required to support the clubs. Should the incumbent operator withdraw the provision of car clubs, there would be some cost in either retendering for another operator or to convert the bays back to other uses. Should this be necessary, this cost would be covered by TfL LIP funding.

6. LEGAL IMPLICATIONS

6.1 Traffic Management Orders will be required under Section 6 of the Traffic Regulation Act 1984.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Bromley Approved Local Implementation Plan, December 2011 Mayor of London's Transport Strategy, May 2010 Carplus Annual Survey of Car Clubs 2010/11