

COMMITTEE	Communities, Housing and Infrastructure
DATE	29 th August 2017
REPORT TITLE	Disposal of Electric Car
REPORT NUMBER	CHI/17/178
INTERIM DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Alan Simpson

1. PURPOSE OF REPORT:-

The report seeks committee approval to dispose of one of the Council's electric cars by transferring ownership from the Council to the 'Distributed National Collection' of Scotland so it can make up part of the permanent collection of the Grampian Transport Museum

2. RECOMMENDATION(S)

It is recommended that the Committee instructs the Head of Planning and Sustainable Development in conjunction with the Head of Commercial and Procurement of to implement the legal transfer of the ownership of the Mitsubishi I-MiEV electric vehicle from the Council to the "Distributed National Collection" of Scotland for no cash consideration.

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

3.1 In 2013, Aberdeen City Council used part of an Air Quality Action Plan Grant from the Scottish Government to fund an electric vehicle. This vehicle, a one year old Mitsubishi I-MiEV became part of Aberdeen City council's fleet and joined the Aberdeen Car Club, run by Co-wheels car club. In doing so, it made Aberdeen a pioneer as it became the first electric car club vehicle in Scotland. The vehicle has been in active service ever since and has blazed the trail for many more across Scotland. There are now over 70 electric car club vehicles in Scotland and 22 in Aberdeen alone.

3.2 These actions support the strategy of Transport Scotland, the Scottish Government Transport Agency, who have committed to "Almost complete decarbonisation of road transport by 2050". Their 2013 document "Switched On Scotland: A Roadmap to Widespread Adoption of Plug-in Vehicles" identifies that electric and plug-in hybrid electric vehicles (EVs /PHEVs) will make a substantial contribution to this ambition and contains a series of actions to deliver it. The document acknowledges that car clubs can provide

drivers with affordable access and invaluable experience of driving plug-in vehicles, leading to “Action 27: Support for the promotion of shared plug-in vehicles through the Developing Car Clubs in Scotland programme”. Aberdeen’s contribution to this area is also acknowledged within the document as an example of good practice.

- 3.3 This first vehicle has now turned 5 years old, which is the point at which both the Council and the car club would seek to dispose of the vehicle. An online valuation suggests that the car is worth around £3,400 although, given the uncertainty surrounding used electric vehicle prices at this early stage, it might not reach this figures. Council fleet cars, when disposed of, are usually sent to auction and, in this set up, there is an even greater risk of the vehicle selling for less. Therefore, given the limited financial value likely to be gained from its sale and the historical significance of the vehicle, officers explored if there were any more valuable things that could be done with it.
- 3.4 In June 2017, Transport Scotland launched “Switched on Scotland Phase 2. This contained ten actions with Action 4 outlining Transport Scotland’s desire to build on its existing communication and educational activity, working with partners to promote EVs as an alternative to fossil fuelled vehicles. In line with this, officers decided to investigate if, instead of selling it, the car could be used for educational purposes, not just to make people more aware of electric vehicles but also car clubs, given that they too are still a relatively new phenomenon to most people in the UK. Officers contacted Grampian Transport Museum to investigate their willingness to host the vehicle, given that it is a local facility where people of all ages go to learn about transport.
- 3.5 The curator of the museum is keen to have the vehicle as an exhibit, with some accompanying information about electric vehicles and car clubs. In addition, the museum is opening an exhibition next year to chart the evolution of electric cars and to look to the future of motoring. They already have videos from Mitsubishi which talk about the I-MiEV’s development, which they were planning to feature as part of the exhibition, so having the actual car that these relate to there would finish it off nicely. The car currently displays Co-wheels car club graphics and it has the car club computer kit inside it both of which, Co-wheels have agreed, could be retained for educational purposes.
- 3.6 The museum would be happy to do any sort of promotion around the car too which could help raise the profile of electric vehicles, car clubs and the good partnership work which has been carried out by the Scottish Government, Aberdeen City Council and Co-wheels car club.
- 3.7 The Council has the option to either retain ownership of the vehicle and merely loan it to the museum or to dispose of it by transferring the ownership of the vehicle to the “Distributed National Collection” of Scotland. This latter option is preferred as transfer of ownership removes any financial, legal and administrative burdens from the Council and allows the vehicle, initially funded by a National grant, to become a National asset once more.
- 3.8 The recent announcement by the UK government regarding the banning of sales of conventional petrol and diesel vehicles by 2040 has the potential to generate much greater interest in EVs and it is likely that people will value the chance to learn more about them.

4. FINANCIAL IMPLICATIONS

- 4.1 The vehicle was originally 100% funded by the Scottish Government, as part of an Air Quality Action Plan grant in 2013 and purchased when it was one year old. The cost was £13,251.52. An online valuation, provided by What Car? Magazine on 11/07/2017, suggests that the car has an auction value of £3,358 although, given the uncertainty surrounding used electric vehicle prices at this early stage, it might end up selling at auction for less.
- 4.2 At the time of award, the Scottish Government stated that if the Council ever sold the vehicle that the funding would need to come back to the Scottish Government as it was a capital asset. The Scottish Government have been informed of the recommendations of this report and have already provided written confirmation of their support for the vehicle to be used in this way. Further details are provided in Section 5 “Legal Implications”.
- 4.3 The Council could instead retain ownership of the vehicle and just loan it to the Transport Museum instead. However, as part of the original funding conditions, any money from a subsequent sale would have to be returned to the funders so the Council does not gain financially from pursuing this option. Instead, due to the time taken to draw up the necessary legal agreements associated with loaning the vehicle, it could cost the Council more in officer time.

5. LEGAL IMPLICATIONS

- 5.1 In disposing of the car by transferring ownership of the car to the Grampian Transport Museum, the car would become part of the “Distributed National Collection” of Scotland, meaning that it would be Nationally owned and not actually the exclusive property of the Grampian Transport Museum. This would mean that, should the Grampian Transport Museum ever cease to exist, the car would simply be moved to another location without any issues with ownership.
- 5.2 The Scottish Government, who originally funded the car with An Air Quality Action Plan Grant in 2013, have advised, by e-mail on 09/06/2017, that this is an excellent way of extending the public value of the vehicle and are happy to support the proposal. They have told us that we can proceed straight away with nothing else required from them.
- 5.3 Now that it is over five years old, Co-wheels car club are unwilling to keep the car on their fleet as doing so may harm their accreditation to Car Plus, the accreditation body for car clubs in the UK.
- 5.4 Consideration has been given to the Council’s Financial and Management Regulations, in particular Section 5.23 “Disposal of Surplus Assets” which states
- 5.23.1 “*Subject to the provisions of these Financial Regulations, all surplus goods and materials in excess of £10,000 in value to be disposed of by any*

part of the Council shall be advertised for sale either by inviting sealed offers or by public auction, unless in special circumstances (of which the Committee concerned shall be the judge) it is otherwise decided.

- 5.23.2 *“The arrangements for the disposal of surplus goods and materials not falling within paragraphs (1) shall be delegated to the appropriate Director.”*

5.5 An online valuation, provided by What Car? on 11/07/2017, suggests that the car has an auction value of £3,358 which means that it is subject to 5.23.2. However, the Commercial and Procurement Legal Team advised for public probity it is best to let Members decide. This is on the basis that it is transparent and if the value of the vehicle increases significantly in posterity due to its special significance Council procedures shall have been best complied with.

6. MANAGEMENT OF RISK

Financial

6.1 There would be no Financial Risks to the Council associated with the recommendations. If ownership of the vehicle transfers to the Distributed National Collection, the Council has disposed of it and is no longer responsible for it. Furthermore, even if the Council had decided to sell the vehicle instead, any proceeds would have had to be returned to the Scottish Government.

Employee

6.2 There would be no Employee Risks associated with the recommendation.

Customer/ Citizen

6.3 There would be no Customer/ Citizen Risks associated with the recommendation. Instead there could be a benefit as the recommendation would give customers and citizens a great opportunity to learn about electric vehicles and the car club.

Environmental

6.4 There would be no Environmental Risks associated with the recommendation. Instead there could be a benefit as the recommendation would give customers and citizens a great opportunity to learn about the benefits that electric vehicles and car clubs can bring to the environment.

Technological

6.5 There would be no Technological Risks associated with the recommendation. Instead there could be a benefit as the recommendation would give customers and citizens a great opportunity to learn about low carbon vehicle technologies and how electric vehicles and car clubs work.

Legal

- 6.6 Legal Risks associated with the recommendation have been minimised by seeking clarification of the Council's Processes from the Commercial and Procurement Legal Team while consultation with the Scottish Government, who originally funded the car, Grampian Transport Museum and Co-wheels car club has confirmed that all parties are happy with the proposed recommendation.

Reputational

- 6.7 There would be no Reputational Risks to the Council associated with the recommendation. Instead there could be a benefit as the recommendation would help showcase the work that the Council, alongside partners, has done and it would demonstrate the Council's commitment to maximising the wider benefit from the work.

7. IMPACT SECTION

Economy

- 7.1 The recommendations cause no financial burden to the Council but instead give a publicly-funded asset the chance to provide a greater value than would probably be achieved otherwise through selling it at auction.

People

- 7.2 The Scottish Government who funded the vehicle, the Car Club who currently manage it and the Transport Museum who would be hosting it are all supportive of the recommendation.
- 7.3 Furthermore, by placing the car into a museum where people of all ages go to learn about transport, it is likely to have a the largest educational benefit and make people more knowledgeable of electric vehicles, car clubs and the reasons for encouraging them.
- 7.4 An Equality and Human Rights Impact Assessment (EHRIA) has not been undertaken as the proposals do not have an unfair or unequal effect on different groups of people within the community or the workforce

Place

- 7.5 Supporting information alongside the vehicle will reference Aberdeen in the context of electric vehicles and car clubs. This demonstrates the commitment of the city to decarbonise its transport system and improve air quality, both of which contribute to a better place to live.

Technology

- 7.6 Ultra-low emission vehicles, alternative fuels and car clubs remain a very new concept to lots of people. This provides a perfect opportunity to better inform them about how electric vehicles and car clubs work.

8. BACKGROUND PAPERS

Switched On Scotland: A Roadmap to Widespread Adoption of Plug-in Vehicles
<http://urbanforesight.org/wp-content/uploads/2015/08/Switched-On-Scotland.pdf>

Switched On Scotland Phase Two: An Action Plan For Growth
<https://www.transport.gov.scot/media/39306/switched-on-scotland-phase-2.pdf>

9. APPENDICES (if applicable)

No appendices are required

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