

Decision maker:	Cabinet member transport and regulatory services
Decision date:	16 July 2018
Title of report:	Hereford City Bike Share – HereBikes
Report by:	Principal Energy & Active Travel Officer

Classification

Open

Decision type

Key

Wards affected

Belmont Rural; Bobblestock; Central; College; Eign Hill; Greyfriars; Hinton & Hunderton; Holmer; Kings Acre; Newton Farm; Redhill; Tupsley; Whitecross;

Purpose and summary

Herefordshire Council has been successfully awarded £1.5m from the Department for Transport's (DfT) Access Fund to implement active travel measures across Hereford city. A key element of this project is to implement a public bike share scheme, 'HereBikes'.

This report seeks approval to proceed with a preferred delivery model for a Hereford city based public bike share scheme.

Recommendation(s)

That:

- (a) A 'dock less bike share scheme' be procured at a value of approximately £165k; and**
- (b) that no more than £160k of grant funding from the DfT (with prior agreement from the DfT) is used for public realm enhancements to facilitate the delivery of a free floating bike share scheme in the city.**

Alternative options

1. A docking station based bike share scheme for Hereford City procured at an estimated cost of £280k for initial implementation with annual running costs in the region of £30k. The c. £280k would be used for the purchase and installation of bike share bikes and associated docking stations.

The scheme would cost in the region of £30k p/a to operate for the lifetime of the scheme (a guide figure provided by local authorities of similar size with similar sized bike share schemes). This annual cost would cover the cost of maintenance, repair and replacement of the bikes, as well as redistribution of the bikes around the city where necessary.

Through usage fees and any sponsorship that could be gained, the scheme should aim to be self-sustaining in three years, there is risk that if this was not achieved there would be need for ongoing financial support of the scheme, or if this was not possible to end the scheme and remove it from the city.

This option is not recommended due to the high initial set up costs and ongoing cost implications to the council.

2. Do nothing – Herefordshire Council would not meet the objectives of the DfT Access Fund. A bike share scheme will help to deliver Destination Hereford 3 (DH3) which is a part of our Local Transport Plan (LTP) by aiding the move away from cars and onto public transport, bicycles or walking, reducing congestion on the roads around the city and improving the air quality within the Air Quality Management Area (AQMA). This option carries great reputational risk and may jeopardise future funding applications to the DfT.

Key considerations

3. In 2016 Herefordshire Council was awarded £1.5m from the DfT's Access Fund to deliver a package of behavioural change measures to increase active travel across Hereford City. These measures are designed to reduce vehicle congestion, improve access to education and employment, reduce pollution, improve air quality and improve public health. On 10 July 2017 the then cabinet member transport and roads approved the funding for the scheme and implementation of the programme of projects submitted to the DfT.
4. A key element of the approved programme is to deliver a city wide bike share scheme, termed 'HereBikes'. The proposal to the DfT included mention of 8-10 fixed docking stations across the city providing in the region of 80 bicycles for public use. The successful application includes a budget of £320k to deliver this.
5. Since being awarded the funding we have undertaken a review of the various bike hire models across the UK. In addition to the traditional style of bike share using docking stations, two alternative models of bike sharing are available, known as 'dockless' or 'free floating' bike share and 'docking station light'.
6. Docking station light is in trial at the University of Worcester. The Energy and Active Travel scheme have liaised with Katy Bloom from the University and tried the scheme. The bicycles are standard off the shelf budget bicycles, meaning they are easy to fix with off the shelf components and cheap to replace once worn out. The docks are compact compared to traditional style docking stations because the bicycles are smaller.
7. Pros

- a. More bicycles can be housed in each dock
 - b. Cheaper than traditional docking station schemes
 - c. Does not require connection to electrical grid
 - d. Docking stations control where bicycles can be left
8. Cons
- a. Scheme requires a specific membership card to use, making it difficult for day visitors and casual users to use without prior planning
 - b. Bikes are not of the same robust quality as purpose built 'bike share bikes'
 - c. As per a standard docking station scheme no bicycles may be available in the nearest docking station
 - d. A user may end their journey at a docking station to find that it is full
 - e. Docking stations require batteries to function which must be replaced
 - f. No app support to provide information on docking station locations and bike availability
9. Dockless bike share schemes have no fixed docking stations. All of the technology is on board the bike, powered by a gyro and battery; the batteries are changed annually during routine maintenance of the bikes. The bicycle stands on an integral kick stand and user sessions are controlled by the use of a smart phone app. A user will need to install the appropriate app on their smartphone and register their details, including a credit card the first time they use it.
10. Using the app the user can release the integrated lock on the bike's rear wheel and begin their ride session. When the user has finished their ride, they simply stand the bike on its kick stand and use the app to end their session. This locks the rear wheel of the bike and the user is then charged accordingly.
11. Some cities, such as Bristol have not placed any limits on the location of the bicycles allowing them to be picked up, cycled and the session ended anywhere in the city. There are pros and cons to this:
12. Pros
- a. As long as there are enough bicycles in the city to serve the users, bikes will naturally distribute across the city to where needed, reducing the need for manual redistribution. Bristol started with 300 bicycles and expanded this to 800 (as of October 2017).
13. Cons
- a. Bikes can be left in inconvenient locations such as blocking footways or cycle ways
 - b. Bikes can be locked on an individual's private property making it impossible for anyone else to access it.
14. Free floating bikes schemes are now moving towards a system which uses 'preferred locations' for returning the bikes to.
15. The map, which is displayed on the app, will show a user where a bike can be left for them to end their session; this is called geofencing. If a bike is outside one of these

geofenced areas a user cannot end their session and will continue to be charged until the bike is returned to a 'preferred location'.

16. The bike share operator will likely deploy a small number of bikes (100-200) to begin the scheme. Should demand out strip supply of the bicycles or should growth of users require it then the operator will provide more bicycles for use as part of the scheme. Similarly should there be too many bicycles deployed in the city then the operator would be responsible for reducing the numbers of bicycles available in the city.
17. There is no cost for the implementation of a free floating bike share scheme and no ongoing costs to the council. The operator pays for all of the implementation costs of the scheme including the purchase of bikes, they are backed by private finance who model to lose money over the first years whilst the scheme is set up and beds in. The bike share schemes make money through the use of the bikes, typically charging casual users either 50p for 30 minutes or £1 per hour and offering regular users monthly/quarterly and/or annual memberships. Advertising through the app may also be used to bring in revenue for the bike share provider.
18. The contract will be a two year concession contract with the possibility to extend this by one year (2+1), the contract value is estimated at £54,750 per annum, a total of £109,500 for a two year contract or £164,250 for a three year contract.
19. Using the available budget from the DfT (with permission from the DFT) we would seek to reserve the right to subsidise the scheme during the launch period to end users during the launch at a cost of no more than £160k.
20. Additionally, (with the permission of the DfT) we would utilise the grant monies of up to £160k (including the budget for subsidising the start of the scheme) to provide bike share parking spaces and signage in support of the scheme.

Community impact

21. A city wide bike share scheme directly supports two of the four priorities of the corporate plan:
 - a. Enable residents to live safe, healthy and independent lives
 - b. Secure better services, quality of life and value for money
22. Public bike share schemes offer residents the opportunity to utilise publically available bikes at a low cost without the associated upfront or ongoing costs of owning their own bike. Whilst offering residents value for money the dock less model of bike share offers the authority value for money by having no on going costs past the initial set up cost which is covered by the available grant
23. Publically available bikes will increase cycling levels in Hereford City, improving public health by increase individuals physical and mental health and improving air pollution for all residents by reducing cross town short car journeys. The improvement in public health could see a decrease in the reliance of the health services.
24. The council is committed to providing a healthy and safe environment for all individuals impacted by the council's coordinated activities. As a result the council endeavours to ensure that the work they and their partners undertake, does not adversely affect the

health, safety or welfare of members of the public especially visitors. Therefore council partners are expected to work to the same health and safety standards and approved codes of practice as the council, as far as is reasonably practicable

Equality duty

25. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
26. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
27. The bike share scheme will be another form of public transport available in the city of Hereford. Tariffs will be kept low (typically 50p for 30 minutes or £1 for an hour) providing low cost access to public transport for residents of the city, lowering the financial barrier to public transport around the city whilst also seeing improvements in public health.

Resource implications

28. All initial costs of the dockless bike share will be covered by the access fund (£160k), this includes:
- a. Up to £160k of the grant monies (with permission from the DfT) will be spent on subsidising the scheme to the end user during the launch of the scheme and bike share parking and signage.
 - b. 100% of this money is grant funding from the Department for Transport (DfT), there is no requirement for match funding from the council for this project.
- i. All set up and ongoing costs are the responsibility of the bike share operator.
 - ii. There will be no financial on costs to the council beyond the funding period (2017-2020).
 - iii. There will be no revenue generation for the council.
 - iv. There will be no additional funding requirements for the project.

- v. The DfT in certain cases where it does not believe the council has delivered the projects it has committed to will implement the below¹:
- a. *grant is awarded on the understanding that your authority will deliver the objectives as set out in your original bid. We appreciate that, during implementation, opportunities or challenges may arise that require a change to your project in order for outcomes to be realised to their full potential. Any such changes should be reported to the Department for Transport. However, should the change be substantial enough so as to cease to represent the programme for which funding was awarded, or should your ability to deliver the objectives for which funding was awarded be significantly compromised, the Department reserves the right to withhold, suspend or reclaim any unspent revenue funding.*

Legal implications

- 25 The council does not have a duty to enter into these arrangements but it has the power to do so under Section 1 of the Localism Act 2011 which confers upon the council a power to do anything that individuals generally may do (the general power of competence).
- 26 The council will be assuming legal duties towards users of the bikes to ensure the bikes and any related equipment are fit for purpose and roadworthy. This means the council will need to ensure that bike maintenance is carried out diligently and that there are appropriate communications with users including in relation to the reporting of maintenance concerns and the some common standards of responsible use.
- 27 The council's insurers may have requirements as to the management of these assets and notification of any claims which should be taken into account to ensure that there is adequate insurance cover to address any risks arising from the scheme.
- 28 In view of the financial value of the proposed assets, the council must undertake a procurement process which is compliant with the Public Contracts Regulations 2015.

Risk management

Risk / opportunity	Mitigation
Failure – reputational risk	Time spent researching options, exploring options with Bikeplus, watching other local authorities as they deploy dock less bike schemes and learning from these after trial periods have completed
Non deployment – missed opportunity – reputational risk	Deploy dock less bike share in Hereford city with above mitigation
Opportunity to deliver a new option to enhance active travel in Hereford city, contributing to the DH3, the LTP and improving air quality in the AQMA	The dock less bike share model is funded by the operator meaning there are no on costs to Herefordshire council. Should the scheme fail to make the required revenue there will be no financial liability on the

¹ Extract from grant offer: Herefordshire Council GAL

council

Financial risk – the project may not make enough revenue to cover operational costs and become a financial burden

28. The bike share operator is responsible for the insurance liability of the scheme.
29. There is risk of stolen bicycles, the operator is responsible for this risk.
30. Assuming the recommendations are approved the identified risks will be managed at a service level, they will be entered into the Environment and Waste Services risk register.

Consultees

31. Bikeplus has been consulted on the implementation of bike share in Hereford City. A description of Bikeplus from their own website:

Bikeplus is the representative body for UK bike share. Although bike share schemes are operated by the private sector, the public sector and some cases large employers and community groups, are responsible for many aspects of development. Bikeplus aims to support these groups to get the most out of this process.

32. Bikeplus hosted a two day workshop in Manchester in October where local authorities and bike share providers as well as consultants and private investors shared ideas, best practice, identified opportunities and provided support to those looking to implement bike share. From the workshop and direct dialogue with Bikeplus as well as monthly telephone meetings hosted by Bikeplus for councils, we have taken this learning to make the suggestions in this report.

Appendices

None

Background papers

None