



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
9 February 2021
Agenda Item 9

Key Decision [No]

Ward(s) Affected: All

City Region Bikeshare - transforming travel through collaborating on a pedal and e-bike rental scheme

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1. To present members with a significant strategic opportunity for Adur District and Worthing Borough Councils to introduce a large scale bike and e-bike rental scheme to Adur and Worthing through Brighton & Hove City Council's new BTN Bikeshare Procurement Framework.
- 1.2. To confirm that a full options appraisal, business case and funding strategy will be presented to the Joint Strategic Committee in the coming months, with the current stage being limited to approval to join the BHCC procurement framework thereby securing the *option* to participate.
- 1.3. To consider the benefits of the scheme in the context of expected post COVID commuter and transport patterns and the opportunity to lead and promote sustainable and active travel through a significant, large scale and impactful initiative that will widen access to cycling to a broader range of users through the provision of electric bikes.
- 1.4. To consider the benefits of joining an existing, highly successful bike rental scheme in Brighton & Hove that could transform the way local people travel; open cycling to a wider audience; help reduce congestion, air pollution and

carbon emissions; improve the health of local communities; benefit the visitor economy and increase connectivity across our places.

2. Recommendations:

- 2.1. To approve Adur District and Worthing Borough Council becoming party to the BTN Bikeshare Operator Procurement Framework to investigate the delivery of a new Bikeshare scheme under that Framework;
- 2.2. To note that officers will undertake a full appraisal of all options for delivery; and explore opportunities to secure funding to support the operation of a scheme; bringing proposals to JSC in Autumn 2021 for approval.

3. Context

- 3.1. Working with partner councils, a strategic opportunity has been developed to introduce a bike rental scheme across Adur and Worthing through Brighton & Hove City Council's (BHCC's) forthcoming new BTN Bikeshare contract and framework.
- 3.2. The large scale scheme proposed promises to unlock new journeys, particularly commuting journeys, neighbourhood journeys for those working from home, and a broader range of users through the provision of 50% e-bikes.
- 3.3. The delivery of improved infrastructure for cycling is well supported through through *Platforms for our Places* and *SustainableAW* and many other policies and programmes including: the draft Worthing and adopted Adur Local Plan; the Public Health Strategy; Air Quality Management Area Action Plans; AWC Sustainable Travel Plan; Public Realm, Seafront & Town Centre Improvement Programmes; and the Local Cycling & Walking Infrastructure Plan.
- 3.4. Encouraging greater use of cycling is a key means to reduce emissions associated with motorised transport which is responsible for over a third of carbon emissions nationally and locally. The need to address this has been heightened since the councils declared Climate Emergency in July 2019.

Brighton & Hove City Council's Bikeshare scheme

- 3.5. The Brighton & Hove BTN Bikeshare scheme is one of the most successful bike rental schemes in the UK outside of London. Since launching in 2017, users have made over 1.2 million trips covering 2.7 million miles. It is popular with residents and visitors. It has:
- 155,000 members, growing daily
 - 73 Hubs across the city with 940 stands
 - A fleet of 600 standard pedal cycles
- 3.6. BHCC owns the infrastructure, and the scheme is run on a concession basis with operator Hourbike under a 50/50 profit share. The scheme has benefitted from sponsorship from AMEX and Life Water but is currently seeking a new sponsor. It has always generated a surplus, having benefited from sponsorship, but has continued to return a surplus during 2020 without sponsorship.
- 3.7. The current scheme has grown more quickly than anticipated and will need to re-procure due to the maximum value threshold allowed under the Concession Contracts Regulations 2016.
- 3.8. BHCC, at their [Environment Transport & Sustainability Committee \(Nov 2020\)](#), and [Policy & Resources Committee](#) (Dec 2020) approved the procurement of a new concession contract to deliver an expanded B&H Bikeshare scheme within the B&H boundary. The committees approved:
- 3.8.1. to procure a single supplier concession contract which is established as a framework so that neighbouring authorities can enter into call-off contracts with the supplier creating a wider bike network; and*
- 3.8.2. to invest £1,170,000 of capital borrowing to finance the recommended fleet changes to the Brighton & Hove only scheme, adding e-bikes and replacing some of the pedal bikes at the end of their street life.*
- 3.9. BHCC procurement activity will commence February 2021 and a new procurement framework will be developed over an 8-12 month process. Due to long lead in times in the supply chain, new e-bikes may need to be procured separately first. A new concessionaire would then be procured to take on the operation of BTN Bikeshare providing additional bike hubs and a combination of 50% standard bikes and 50% e-bikes.

Feasibility Study: Development of bike share business case and plan

- 3.10. BHCC commissioned a [feasibility study from consultants STEER \(2020\)](#) to explore options for delivery models, this included an in-house and alternative delivery vehicle option; and the viability of options for a larger scheme:
- 1) An expanded B&H scheme with more bikes and more hubs within the B&H border; or
 - 2) An expanded scheme extending into Adur and Worthing in the west and the coastal areas of Lewes District council in the East. Coverage of Lewes Town, in ESCC and Arun in WSCC was not recommended because of servicing practicalities, current cycle links and low demand predictions.
- 3.11. BHCC members approved that the BHCC Bikeshare scheme be expanded to a city wide only scheme of 780 bikes and 86 hubs that includes 50% electric assist pedal bikes and 50% pedal bikes, and that officers procure a new operator contract in the form of a concession agreement that will include an option for neighbouring local authorities to join the scheme at a later date. The report also recommends that the Council invests in new bikes and infrastructure with capital raised through borrowing.

Proposed Bikeshare scheme for Adur & Worthing Councils

- 3.12. In early 2020 AWC agreed to provide a small financial contribution towards the (Steer) Feasibility Study investigating a Greater City Region Bikeshare scheme. This was to enable the modelling of options for a Bikeshare scheme for Adur & Worthing.
- 3.13. The findings of the [Steer report](#) identify that an optimal scheme for Adur & Worthing would consist of 43 hubs (5-10 standards per hub) distributed across the area and 322 bikes (161 e-bikes and 161 standard bikes). See the proposed schemes for the different authorities. Adur & Worthing are currently combined:

	Standard bikes	E-bikes	Total bikes	Hubs
Adur and Worthing scheme area	161	161	322	43
Brighton & Hove	390	390	780	86

Lewes scheme area	62	62	124	17
Joint City Region	613	613	1,226	146

- 3.14. BHCC has approved taking forward the Brighton and Hove scheme. However BHCC is offering the opportunity for AWC to join a new framework which will be established, through which a Bikeshare scheme could also be set up in Adur and Worthing.

4. Issues for consideration

Brighton & Hove Bikeshare: use by Adur and Worthing residents

- 4.1. There are a significant number of members of the existing BH Bikeshare scheme that live in Adur or Worthing. Operators of the current scheme already collect bikes that have been brought into and left in Adur for collection. This indicates that the Bikeshare is already extending into Adur and the formal establishment of a scheme and hubs in Adur and Worthing will cater to and help expand this established customer base.

Worthing Donkey Bikes (WDB)

- 4.2. Set up as a collaboration between Discover Worthing and Cycle Brighton, WDB is a highly successful bike rental scheme launched in Worthing in 2017 to support the visitor economy. It was envisaged as a temporary scheme until a larger scheme could be implemented. WDB currently consists of:
- 9 hubs; and
 - 32 bikes.
- 4.3. Franchise owner Donkey Republic have recently put up their concession costs and Cycle Brighton now aim to close WDB. WBC has provided £4K for the scheme to be extended to summer 2021. WBC are negotiating an additional 1 year extension to summer 2022.
- 4.4. There have been consistent increases in usage since first set up. In 2019 new hubs were installed at WTH, Worthing Station and West Worthing Station, increasing convenience and availability (funded through the Community Rail Fund Project).

USAGE OF WORTHING DONKEY BIKES 2018-2020			
	2018	2019	2020
Number of annual Donkey Bike rentals	1779	1786	3384

4.5. In 2020 WDBs averaged 0.54 trips per bike per day. This is considerably lower than the 2.1 trips per bike per day usage of the Brighton Bikeshare scheme, which can be expected given the limited scale of the Worthing Scheme and trip making opportunities (for example one-way trips are not possible).

5. Proposed Next Steps

5.1. Subject to approval, the proposed next steps to progress exploratory work on a Bikeshare scheme are as follows:

Proposed Next Steps	
1	Formally join the BHCC Specification drafting process for the new BTN Bikeshare Procurement Framework
2	Work with BHCC on joint governance structures for a City Region Bikeshare scheme
3	Establish an AWC Bikeshare working group
4	Participate in BHCC's Infrastructure Tactical Group and Commission further exploratory work and undertake an options appraisal.
5	Explore funding streams, grant funding opportunities and sponsorship opportunities
6	Bring a formal proposal before the Joint Strategic Committee on identification of a sound business case and funding options

6. Engagement and Communication

6.1. Internally, consultation has been undertaken with Legal, Finance, Procurement, Economy & Place, Sustainability, Planning, Wellbeing and Communications.

6.2. WSCC Transport Officers have been consulted and are supportive of the scheme which would align with their own strategic policy objectives. In 2021 WSCC will be developing a revised Active Travel Strategy and also a Combined West Sussex Local Cycling & Walking Infrastructure Plan that will

incorporate the LCWIPs of the Districts & Boroughs. The Highways Authority will be a key partner in the delivery of a Bikeshare scheme, especially in facilitating the delivery of bike hubs, some of which will be installed on the public highways, requiring Traffic Regulation Orders and Planning Permissions. WSCC may also be able to support applications for funding.

- 6.3. There has been, and continues to be ongoing dialogue with Transport officers at BHCC. AWC Sustainability and Economy officers have attended several meetings during the development of the Feasibility Study which included BHCC, Lewes District Councils; and consultants STEER through 2020. Lewes & Eastbourne councils will be taking a paper to their members in Feb 2021 for approval to join the framework.
- 6.4. Subject to approval; detailed consultation will be undertaken with the Adur & Worthing Walking & Cycling Action Group and other stakeholders.

7. Financial Implications

- 7.1. The initial financial assessment of the potential Adur and Worthing Bike share scheme is set out in the Steer Report. In summary the expected net annual running costs are as follows:

	£'000
Annual income	-225,620
Annual running costs	233,420
Net annual cost	-7,800

In letting any concession contract the Council will obtain certainty regarding the annual subsidy required throughout the life of the contract.

- 7.2. The projected costs currently show a small operating deficit of £7,800 for the Adur & Worthing scheme. As part of the contract, the councils will also need to procure the bikes and infrastructure at an initial cost of £830,350. The associated revenue cost will depend on the method of financing. If there are sufficient capital receipts available, then the Council will be able to save on interest costs. However as the bikes will need replacing in 5 years time and other the equipment in 10 years, the Council should set aside resources to fund the asset replacement with an annual revenue impact of:

		Cost	2023/24
	Asset life	£'000	£
Bikes	5	582,550	116,510
Vehicles	10	126,500	12,650
Other equipment	10	121,300	12,130
		<u>830,350</u>	<u>141,290</u>

There will also be one-off contract mobilisation costs of £80,700

7.3. In summary the initial assessment of the annual revenue costs are:

Total revenue costs	2022/23	2023/24
	£	(full year) £
Net annual subsidy	5,200	7,800
Annual debt charges	0	141,290
Mobilisation costs	80,700	0
Total revenue costs	<u>85,900</u>	<u>149,090</u>
Split as follows:		
Adur	34,360	59,640
Worthing	51,540	89,450

The costs do not currently feature in the Councils financial plans, so if the scheme is approved an allowance will need to be made in both the revenue and capital budgets from 2022/23 onwards.

7.4. It may be possible to secure sponsorship or external funding towards the upfront investment and this will be a key aim in the next phase of the project to minimise the financial impact on the Councils. The Steer report identified potential funding sources and options for capital funding and borrowing as follows:

1. Devolved funding (e.g. Coast2Capital LEP funding)
2. Government funding (e.g. Cycle Investment Funds)

3. Developer funding (e.g. S106, CIL)
 4. Sponsorship acquisition
- 7.5. The options appraisal which will be eventually considered by the Committee will address the cost of the implementation of any scheme and consider options for reducing the impact to the Councils.

8. Legal Implications

- 8.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 8.2. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 8.3. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.4. s1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.
- 8.5. When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution. Where the Contract is an above threshold contract for goods and/or services as defined by the Public Contract Regulations 2015 any procurement exercise to contract for those goods and services must be conducted in accordance with those Regulations which is retained law by virtue of s29 of the European Union (Future Relationship) Act 2020.

Background Papers

- [JSC Report item 21: Local Cycling & Walking Infrastructure Plan - establishing the network of the future through consultation June 2020](#)
- [Adur & Worthing Draft LCWIP \(2020\)](#),
- LCWIP [Network map for Worthing](#)
- LCWIP [Network map for Adur](#)
- [BHCC Item 49 Brighton Bikeshare Reorganisation - Environment Transport & Sustainability Committee \(Nov 2020\)](#),
- [BHCC Item 104 Brighton Bikeshare Reorganisation Policy & Resources Committee](#) (Dec 2020)

Officer Contact Details:-

Francesca Iliffe, Strategic Sustainability Manager

07771 381 385

francesca.iliffe@adur-worthing.gov.uk

Andy Willems, Head of Place & Economy

01273 263179

andy.willems@adur-worthing.gov.uk

Sustainability & Risk Assessment

Economic

- The Bikeshare scheme could support the modal shift intended to improve transport connectivity while reducing associated congestion which is predicted to increase by 51% by 2050. To maintain a vibrant economy it is crucial to maintain good transport flows; transport infrastructure will need to provide alternatives to car travel for business travel; commuting; visitor movement; leisure & utility trips.

Social Value

- Improved cycling and walking infrastructure can increase safety and accessibility; helping more communities to make cycling and walking their first choice for shorter journeys and as part of longer ones. Cycling and walking provides the cheapest form of transport compared with car travel and public transport. It also brings health benefits through active travel.

Equality Issues

- Recent research suggests the availability of Electric assist pedal bikes increases distances travelled and participation in cycling by both older cyclists (over 55s) and females generally. Both demographics are currently under represented in UK cycling according to the most recent Sport England Active Lives Survey

Community Safety Issues (Section 17)

- A risk register will be developed under a business case for Adur & Worthing Bikeshare.

Human Rights Issues

- Matter considered and no issues identified

Environmental

- Transport emissions account for over a third of carbon emissions in Adur & Worthing. Unlike other sectors, transport emissions locally have been rising since 2013. Cycling and Walking are both zero carbon forms of transport. Greater use of these forms help reduce poor air quality.

Governance

- Cycling is well supported by National and Local Policy. See paragraph 6.2.

APPENDIX 1 - Projected Costs (STEER Report)

Table 1: Steer report: assumed Tariff Structure:

User Type		Subscription price	Usage fee
Annual member	Standard bikes	£72	3p per minute (£1.80 per hour)
	e-bikes		4p per minute (£2.40 per hour)
PAYG	Standard bikes	-	3p per minute + £1 unlock fee
	e-bikes	-	4p per minute + £1.50 unlock fee

Table 2: Steer Report: total estimated capital costs

Components	Adur and Worthing scheme area	Brighton & Hove*	Lewes scheme area	Joint City Region
Bikes	£506,562	£308,568	£195,087	£1,010,217
Hubs	£65,575	£19,825	£25,925	£111,325
Redistribution vehicles	£110,000	£158,500	£106,500	£375,000
Workshops	£39,900	£39,900	£39,900	£119,700
Other mobilisation cost	£70,177	£34,900	£36,187	£140,863
Capital Cost	£792,214	£561,293	£403,599	£1,757,105
Contingency allowance	15.0%	15.0%	15.0%	15.0%
Total Capital cost	£911,046*	£645,487	£464,138	£2,020,671

* A&W's higher costs reflect a new scheme whereas BHCC's add on to an existing scheme.

Table 3: Steer Report: annual ongoing operating and maintenance costs (excludes cost of any borrowing):

	Adur and Worthing scheme area	Brighton & Hove*	Lewes scheme area	Joint City Region
Number of standard bikes	161	390	62	613
O&M Cost per standard bike	£682	£682	£682	£682
Number of e-bikes	161	390	62	613
O&M Cost per e-bike	£767	£767	£767	£767
Total O&M costs	£233,419	£565,424	£89,888	£888,731

Table 4: Bike share user revenue summary (excludes cost of any borrowing):

	Adur and Worthing scheme area	Brighton & Hove	Lewes scheme area	Joint City Region
Annual number of trips in standard bikes	92,555	298,935	23,762	601,666
Yield per trip by standard bikes	£0.87	£0.87	£0.87	£0.87
Annual user revenue from standard bikes	£80,868	£261,189	£20,761	£362,818
Annual number of trips in e-bikes	115,694	373,669	29,702	322,321
Yield per trip by e-bikes	£1.25	£1.25	£1.25	£1.25
Annual user revenue from e-bikes	£144,749	£467,513	£37,161	£649,423
Total annual user revenue	£225,617*	£728,701	£57,922	£1,012,241

* There is currently no plan to share revenue from users between areas, but it's proposed that sponsorship revenue will be shared proportionately.