

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 17th December 2018

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WARD(S): All

PORTFOLIO: Councillor Carter – Planning and Transport

PART I **NON-KEY DECISION**

SLOUGH CYCLE HIRE/HUB UPDATE

1 Purpose of Report

Further to a Cabinet meeting of 16 July 2018, a report on progress of the cycle hire and cycle hub was requested by Cabinet due for December 2018.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That the proposed improvements and cost savings to overall management of Slough Cycle Hire/ Cycle Hub be noted.
- (b) That the funding options for Slough cycle hire beyond March 2020 be reviewed.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3a. Slough Joint Wellbeing Strategy Priorities

Priorities:

Improving mental health and wellbeing – Cycling can contribute to maintaining physical and mental health. Switching more journeys to active travel will improve health, quality of life and the environment

Housing – Improving integrated transport links in the area and giving greater choices for residents as to where they can live by improving access to work and facilities

Summarise the key needs assessment data relating to the issue in question as contained within the JSNA. The JSNA must form part of the evidence base that gives the reason as to why the recommended or required action / decision being requested needs to be taken.

3b Five Year Plan Outcomes

Explain which of the Five Year Plan's outcomes the proposal or action will help to deliver. The outcomes are:

- Slough children will grow up to be happy, healthy and successful

Increased cycling levels will lead to fewer cars on the road providing safer, cleaner environment for Slough's children.

- Our people will be healthier and manage their own care needs.
Cycling can contribute to maintaining physical and mental health.
- Slough will be an attractive place where people choose to live, work and stay
Reduced traffic congestion through increased cycling will result in improved air quality and safer roads, making Slough a place where people want to live, work and visit
- Our residents will live in good quality homes
Improved integrated transport links in the area, giving greater choices for residents as to where they can live and access work and facilities
- Slough will attract, retain and grow businesses and investment to provide opportunities for our residents
Continuing to work with businesses to reduce congestion on Slough's roads and provide integrated transport options will reduce employee's travel time, and provide reliable travel times.

4 **Other Implications**

(a) Financial

No financial implications as this is an update report.

Slough Cycle Hire	Previous management annual costs	Proposed management annual costs
Redistribution and maintenance of fleet Technology for bikes/docks Management of scheme	£152,111.16	£82,000
Hub Rent Hub Rates (reduced charity rates) Hub maintenance (approximate) Hub computerised entry system	£19,862	n/a

Transfer to the new management model will provide approximate cost savings of £70k immediately which includes separation of the cycle hire/hub contract. In addition, closure of the Brunel Way cycle hub will provide a saving of rent/rates of £20k.

A subsidy of approximately £80k per annum for Year 1 of the new management model will be met by the DfT grant funded Access Fund programme. The new model forecasts that improved cycle hire sponsorship, advertising and use of planning agreements will reduce the requirement to subsidise the scheme in the future.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
To note proposed improvement to overall management of Slough Cycle Hire.	Low usage of cycle hire scheme. Unused and costly infrastructure – reputational risk to the Council.	KPI's and setting objectives.	Political – (Severity/negligible: Probability/low) = rating 6	Streamline management function to improve accountability. Improvements to membership sign up. Governance of scheme brought in-house.
To note consideration of long term funding of Slough cycle hire / cycle hub	Funding is available for the cycle hire scheme for the period 2018/19 and 2019/2020. No additional funding has been allocated beyond this period.	KPIs and setting clear objectives with commercial operator	Financial – (Severity/negligible: Probability/low) = rating 6	Developing new KPIs and clear objectives with new commercial operator to increased patronage and advertising. Ensuring governance of scheme is managed in-house. Increasing advertising on infrastructure.

(c) Human Rights Act and Other Legal Implications

There are no HR or legal implications resulting from this report

(d) Equalities Impact Assessment

An EIA was completed on the original scheme, which anticipated positive benefits for all those physically capable of riding a bicycle, (in terms of accessibility and health). However, it is not possible to collect accurate equalities data on current users. This report highlights low usage in areas outside of the main commuter locations. The cost implications of maintaining these local hubs, which can help to improve access for different groups, needs to be weighed up against sustainability and current low use. It is anticipated that general access to the scheme will be improved by simplifying the registration process and allowing users to access the scheme immediately, without need to pre-register bank details which may be putting off some groups. The scheme will continue to be monitored.

5 **Supporting Information**

- 5.1 SBC investment in Slough's cycle hire infrastructure has reached near completion to provide well located docks distributed across the borough to support the integrated transport offer in Slough. During this SBC funded phase of infrastructure expansion employment density, rail commuters and residential hubs have continued to be considered in the siting of the docks.
- 5.2 Slough Cycle Hire is presently transitioning to a new management model. Both Slough cycle hire and the Brunel Way cycle hub were previously managed by Groundwork South Ltd under a single contract. However, a decision was made by SBC Officers not to renew the cycle hire contract which ended on 30th September 2018. Due to low usage and significant ongoing costs it was also decided to close the existing hub. This has allowed the future contract management of the Slough Cycle Hire and a cycle hub to be separated, providing significant cost savings to the Council.
- 5.4 An exemption has recently been granted by SBC's procurement team to retain Intelligent Transport Systems (ITS) to takeover the contracted management of Slough Cycle Hire. Initially sub-contracted by Groundwork South Ltd to deliver the back-office function of the cycle hire scheme, ITS has exclusive rights in the UK to use Smoove, a French company that developed the software to manage bike usage, user registration and reports if there are operational issues. The existing fleet is entirely managed by Smoove's technology with the software package being translated from French to English for the Council.
- 5.5 ITS is managing the upgrade of the existing software to introduce SabiWeb2. Moving the technology to this new platform will provide an improved user experience, including enabling cyclists to use the 'Pay and Pedal' model where they can access the scheme immediately without pre-registering their details or providing bank details. In addition, the previous system also did not provide any detailed monitoring functionality thereby making it difficult to respond quickly to issues or to launch dedicated promotions to incentivise increased usage of the scheme. By contrast, SabiWeb2 facilitates immediate data monitoring, provides live information of current status and promotions can be delivered quickly with metrics generated to measure successes and/or apply lessons learned.
- 5.6 ITS will also manage the redistribution and maintenance of the cycles directly. Using an electric vehicle, a mobile mechanic will respond to any issues and undertake the redistribution of the bikes. This will offer a more responsive service as well as provide cost savings.
- 5.7 ITS is well positioned to takeover management of the scheme, having sound experience in cycle hire schemes including involvement in the set up of the Belfast and London cycle hire schemes and operating and managing Kingston University's cycle hire scheme. Therefore, streamlining the management function to retain ITS is considered as appropriate - providing scheme continuity as is consolidating the management function to ensure their skills, experience and local knowledge are utilised. ITS will be supported and governed by a SBC Officer to support ITS, sharing established links with local businesses, developers and community groups.
- 5.8 This approach will require a subsidy from SBC. This will be met via a Department for Transport grant for the remainder of 2018/19 and for 2019/20 but no funding

stream has been identified beyond this period. Revenue from membership and daily use will contribute to operational costs but sponsorship deals, advertising and planning agreements offer the greatest potential in assuring the long term sustainability of the scheme. To date, this has not been fully utilised. ITS however has already-established relationships with potential sponsors and is familiar with the processes to follow in order to secure these types of deals.

- 5.9 There are now 17 docks (2 yet to go live) in the borough and it is anticipated that the cost of funding any future docks and fleet upgrades will be met by local businesses and/or developer contributions via S106/S278 agreements where possible. Due to the age of some of the bikes an upgrade of the fleet will need to be phased in. Rolling advertising on updated docking infrastructure may potentially provide an opportunity to offset costs with the dock upgrade also potentially facilitating the introduction of a mixed fleet of conventional and electric bikes.
- 5.10 Usage figures remain low in some areas. While the docks at both Slough and Burnham stations, and Slough Trading Estate, have been well used, other areas such as Trelawney Avenue and Britwell have experienced low patronage. This indicates that while commuters have realised the benefits of the scheme, the next phase of Slough Cycle Hire development will need to focus on progressing the scheme to become a valued community asset.
- 5.11 An issue with the existing sign up process is that potential users only complete one stage of the process and do not sign up fully to the scheme. It is evident that there is a reluctance of potential users to commit to the second stage of their application process which is to provide their bank details online, indicating that a significant number of potential cyclists are being discouraged by the complexity of the existing sign up process. The transition to SabiWeb2 should correct this issue.
- 5.12 Marketing of the cycle hire scheme to date has been poor contributing to the lower than anticipated hire numbers. Greater integration of the scheme into local and national promotional initiatives (Bike Week, Love to Ride commuter challenges) will be introduced as well as publicising how cycling can contribute to health improvements in Slough.
- 5.13 An official relaunch of the scheme will take place in the Spring with a wide range of different marketing, promotional and financial incentive tools set in place to appeal to a wider cross section of user groups. ITS will visit local businesses and wards to encourage increased take-up. Greater community use will also be promoted. The DfT grant funded Access Fund has targets to deliver improved travel opportunities for job-seekers and also to promote active travel in areas experiencing the highest health deprivation indices. Targeted events will be organised to meet the needs of these audiences, offering discounts on Slough Cycle Hire. Slough residents may also benefit from discounted use if using the proposed Slough Card which is presently being scoped.

Cycle Hub

- 5.14 The Brunel Way cycle hub was decommissioned once the contract for the Cycle Hire and Hub with Groundwork South Ltd came to an end on the 31st September 2018. Groundwork South had already determined that the hub did not deliver sufficient revenue and gave notice to end this element of the combined cycle hire and cycle hub contract.

- 5.15 Due to low usage figures alongside a review of costs and resources required to maintain the hub it was clear that this facility did not offer best value and a decision was made by SBC officers to close the hub.
- 5.16 A new hub is being considered in the vicinity of the station which is in keeping with the new public realm improvements in the area. Officers are currently in discussions with GWR and Network Rail to review potential sites. SBC officers will work with Network Rail and GWR to ensure cyclists using Slough Station platforms on an informal parking basis will be redirected to the new hub thereby allowing station platforms to be kept clear to improve platform safety while also ensuring greater membership of the new hub. Officers will also review cycling data at Burnham and Langley stations to consider the introduction of cycle parking hubs for these stations if viable.
- 5.17 Cost savings will be made given that the contract management of the new hub will no longer be required with the operational function being brought in-house to include managing membership, reporting faults etc. Importantly, SBC are no longer required to pay rent/rate for the Brunel Way premises for the hub facility or incur considerable ongoing maintenance costs. Until a new site has been identified, it is unclear at this stage of potential costs of procuring new premises.

6 **Comments of Other Committees**

Recommendation from NCS Scrutiny to review Bike Hire and Hub.

7 **Conclusion**

The transition to the new management model for Slough cycle hire will provide cost savings immediately. The introduction of SabiWeb2 will provide an easier sign up process for new members, combined with increased marketing will increase patronage. This will be carefully monitored by a dedicated SBC officer. Any subsidy funding will only be available up until March 2020.

It is proposed that an update be submitted to Cabinet in one year's time, outlining the progress to date and future proposals for Slough cycle hire.

8 **Appendices Attached**

'A' - SWOT analysis

9 **Background Papers**

- '1' - Transport for Greater Manchester, Cycle Hire Study Report, June 2013
- '2' - Feasibility study for a central London cycle hire scheme, Nov 2018
- '3' - Successful Bike Share Scheme Development, October 2016

Appendix A - SWOT analysis Slough Cycle Hire

Strengths	Weaknesses
Good visibility which helps raise awareness	Significant capital funding required
Certainty of locating a cycle, leading to confidence in system	Subsidy needed for ongoing operations
Integrated transport option demonstrating Slough's transport aspiration and commitment	Additional cost of providing physical infrastructure
Ability to hire bike with and without smartphone app	Legal issues in siting hubs (planning, TROs etc)
Reputational benefits to council if successful (branding etc)	Potential difficulty in providing hubs in key locations (e.g. due to lack of public space)
Council investment in scheme provides greater scope to influence scheme development (scheme geography, target markets etc.)	Greater expense in removing scheme if it performs poorly, together with reputational damage
Good commuter use at some key docks	Scheme may not reach critical mass due to expensive start-up costs, leading to it under-performing
Improving connectivity to services by offering first mile/last mile connectivity	Lack of flexibility in expanding scheme or moving hubs
	Difficulties of providing hubs on private property or on highway (possible loss of car parking)
	May have higher costs for users
	Low use at community located hubs
	SabiWeb 1 sign up deters majority of potential cyclists
	Low propensity to cycle amongst demographic due to real and perceived dangers of cycling
	Low awareness of overall cycle hire scheme
Opportunities	Threats
More sponsorship opportunity (at docking stations and because scheme gives greater sense of permanence, visibility)	Risk of poor take-up could lead to significant ongoing operational costs to Council
Ability to link expansion to development (e.g. through S106/ S278)	Fixed sites difficult to move if required by development or highway works
Dedicated SBC officer govern scheme and oversee contract management	Reliance on one supplier due to exclusivity rights for all associated technology
Changeover of management contractor to provide refresh to entire scheme	New management contract subsidised by Access Fund until 2020. SBC revenue likely to be required beyond this period.
Introduction of e-bikes to fleet via planning agreements	
Reporting function of SAbiWeb2 upgrade will significantly improve data collection	
Ability to upgrade fleet through development agreements	
Changeover of management and dedicated SBC Officers to support scheme allow a refresh	
Create a community asset - provide discounts to different potential user groups (i.e. jobseekers)	
Governance of operations brought in-house to address issues quickly and to focus dedicated promotion	