

# Transport and Environment Committee

10.00am, Monday, 18 November 2024

## Secure On-Street Cycle Parking and Public Bike Parking update

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

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- 1.1 It is recommended that Transport and Environment Committee:
  - 1.1.1 Notes that a review has concluded that bringing the functions for the administration, operation and maintenance of the Secure On-Street Cycle Parking project (SSCP) in-house would not offer best value to the Council and residents and would bring additional risk to the Council;
  - 1.1.2 Agrees therefore to continue to procure an external provider, to ensure the continuity and quality of the scheme whilst offering best value to the Council; and
  - 1.1.3 Notes that delivery of further rollouts of the SSCP is likely to be dependent on external funding.

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**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

## Secure On-Street Cycle Parking and Public Bike Parking update

### 2. Executive Summary

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- 2.1 This report updates Committee on the Secure On-Street Cycle Parking (SSCP) project including an update on Phase Two installations and current use of the units.
- 2.2 The report also outlines considerations in respect of bringing the operation in-house and recommends awarding a contract for continued operation.
- 2.3 Finally, the report provides an update on the installation of public and school cycle/scooter parking.

### 3. Background

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- 3.1 Committee requested that the options for the future administration and management of the secure on-street cycle hire scheme, including the impact of taking the administration of the scheme in-house, be investigated.
- 3.2 Committee also requested metrics to understand the current level of use of the units.
- 3.3 In May 2024, Committee approved a motion that agreed a proposed subsidy trial, noting that funding for it is only available for financial year 2024/25 and that its extension would require additional funding. Although this included a proposal to subsidise deposits, subsequent discussions with Cyclehoop led to the conclusion that this was unworkable.
- 3.4 Prior to the introduction of the subsidy, users paid a monthly fee of £6. The subsidy allows users of the scheme to pay a reduced monthly fee; £3/month for hangars in Scottish Index of Multiple Deprivation (SIMD) deciles 4-10, and £1.50/month for those in SIMD deciles 1-3. The balance of the monthly fee is met by the subsidy. £1 of the monthly charge is placed in a contingency fund to spend on repairs and maintenance. Users also pay £25 as an initial deposit.

## 4. Main report

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### Project progress and further rollouts

- 4.1 The Council’s target is to have 380 secure on-street cycle parking units operating in Edinburgh by the end of 2025, with 200 to be delivered as part of Phase 2. Since May 2024, 38 more units have been installed. This takes the citywide total to 218 units, the locations of which can be see on a map here [Secure Cycle Hangars](#).
- 4.2 The remaining 162 units in Phase 2 require a Traffic Regulation Order (TRO) to be in place before installation. It is anticipated that the TRO process will start in late 2024, with an aim to deliver the units on the ground by the end of 2025.
- 4.3 As part of Phase 2, three cargo bike hangars are being installed. One has already been installed on Portobello High Street and is at full capacity (two users). The other two units are yet to be installed.
- 4.4 Out of all spaces available in the units installed, 97% are in use (93% of the units are full) and there are 2,566 residents currently on the waiting list.

Total number of hangars	218
Total number of spaces	1,302
Number of unused spaces	43
Percentage of spaces used	97%
Total waiting list for all hangars	2,566

- 4.5 There is one cycle hangar that has no users and a further three with only one user per unit. These units are in Wester Hailes and Granton. Project officers are working on a targeted communications exercise to attract users in the areas where these cycle hangers are located.
- 4.6 Further rollouts beyond Phase 2 are likely to rely on external funding for both design and construction. The waiting list and notes of interest allow plans to be prepared for the delivery of further rollouts should funding become available.
- 4.7 As noted in other recent reports to Committee, the funding environment is currently uncertain. Officers continue to seek external funding opportunities to continue delivering this scheme.

### Current contract

- 4.8 The units are owned by the Council with the administration and maintenance of the scheme currently carried out by Cyclehoop. The initial contract with Cyclehoop ended on 28 January 2024 and was extended by one year until 27 January 2025.
- 4.9 A ‘contingency fund’, which is funded by a £1 a month contribution as part of the user charge, covers all repairs and graffiti removal at no cost to the Council. Repairs are carried out on request within three days of these being reported (in line with contractual timescales).

- 4.10 Administration and routine maintenance costs are covered by the user fee, and ad hoc maintenance is covered by the contingency fund. Therefore, there is no cost to the Council for the administration and maintenance of the scheme.
- 4.11 The contract governance arrangements include targeted Key Performance Indicators (KPIs) that enable the Council to ensure that the contract is being administered and operated appropriately.
- 4.12 Due to their operation at a national level, Cyclehoop's business model allows them to deliver this service with funding from the net income the units generate (around £75,000 per year with the current units on the ground, current payments per user and current number of users).
- 4.13 If the rest of planned units for installation are delivered, it is anticipated that the income the units will generate, assuming full occupation and current pricing (including subsidy), around £135,000 per year.

#### **Insourcing all functions of the scheme**

- 4.14 Committee requested that options to bring in-house all the management and administration functions of the scheme be investigated.
- 4.15 The tasks that would need to be carried by Council officers cover registration and administration of users and locations, management of payment transactions, keys and locks logistics, maintenance and cleaning work, relocation of the units during road works, monitoring and performance data.
- 4.16 In addition, there are indirect responsibilities and considerations associated with employing, training and managing the responsibilities for this as well as providing hardware (including tools and vehicles) and IT software systems.
- 4.17 There are currently no existing internal resources that could take on any of the work to manage the operation of the scheme without impacting on the delivery of other committed work.
- 4.18 Therefore, additional resources would need to be available to the Council to be able to manage the scheme at the same level of quality as is currently provided by Cyclehoop.
- 4.19 The full list of functions that would need to be in-sourced are summarised in Appendix 1. Some of these activities will scale up as more units are delivered and the cycle hangers require increasing levels of maintenance over the course of their useful life.
- 4.20 The cost projections identified as part of this analysis have been considered under two main categories: Annual Running Costs and Set-up Costs.
- 4.21 The estimated cost per annum to manage and administer the scheme internally for the current number of installed and committed cycle hangers is £240,000. These costs would increase as more units are delivered due to the increased workload more units would generate.

4.22 In addition, there would be one-off costs associated with bringing this work in-house. These costs are estimated at around £150,000.

### **Income Assumptions and Risks**

4.23 The future funding assumption presented below assume the following:

4.23.1 380 units on the ground;

4.23.2 Full occupancy of the units (whilst full occupancy cannot be guaranteed, current data from the units in use suggest very high demand spaces at both current, and previous unsubsidised, prices); and

4.23.3 Net cost of £6 per space per month is retained, as per the current pricing (including VAT).

4.24 Without external funding, the only obvious funding source to cover the cost of the scheme is the income that the units generate from user payments.

4.25 In May 2024, Committee approved the implementation of a subsidy to reduce the cost of a cycle hangar space. The continuation of this subsidy currently relies on external funding which may not be available in future years.

4.26 On the basis of the above, the following funding scenarios have been identified:

4.26.1 Scenario A: External funding for the user subsidies is renewed, and users therefore continue to pay £3/£1.50 per month. This scenario would generate approximately £135,000 of income for the Council per annum; and

4.26.2 Scenario B: External funding for the user subsidies is not renewed, and the cost for users reverts to £5 per month (excluding VAT). This scenario would also generate approximately £135,000 of income for the Council per annum.

4.27 Based on the information above, the potential income from the scheme would not be sufficient to meet the cost of an in-house delivery model, with the £135,000 income offset against an estimated operating cost to the Council of circa £240,000 per annum ( net of VAT and excluding one off costs).

4.28 It is worth noting that there is a risk that, as part of the renewal of the external contract, the cost to the Council and therefore user charges may increase. However, the risk of this resulting in a higher overall cost than bringing the contract in-house is considered to be small.

4.29 In addition, there are IT system and logistical challenges associated with in-sourcing all functions of the scheme. New IT systems would need to be set up to migrate and securely store the current user database from Cyclehoop, allow users to pay for their fees and track payment information. This is a significant risk.

4.30 Furthermore, there would be a requirement to store spare unit parts for repairs, spare keys and spare locks to allow for efficient repairs and minimise service disruption. This would require physical and efficient storage space, and a suitable Council building/facility for this purpose has not yet been identified.

4.31 Given the above, in-sourcing is not considered to offer the best value for money to the Council and residents nor to be economically feasible or advantageous in the current financial climate. It would also bring additional risk to the Council as well as increased costs to users. Therefore, it is not recommended to insource the SSCP contract.

#### **Installation of public and school cycle/scooter parking**

4.32 The table below shows the number of public cycle racks that have been installed over the past two years and gives a forecast for this financial year.

<b>Financial year</b>	<b>Number of standard bike racks installed*</b>	<b>Number of cargo bike racks installed*</b>	<b>Notes - locations or types of location or reasons for year-to-year change</b>
2022/23	0	0	
2023/24	90	3	30 locations city-wide
2024/25 <i>to date</i>	34	0	Leith Walk and city-wide locations
2024/25 <i>full year forecast</i>	84	0	City-wide locations

\* each rack holds two bikes

4.33 Locations include shopping streets, public parks, leisure activity destinations (i.e. Cramond Promenade), city centre, and local amenities (pharmacies, local shopping streets). The locations vary depending on public requests.

4.34 A map of cycle parking can be found at <https://www.edinburgh.gov.uk/cycling-walking/explore-quietroutes>. This map is updated on an annual basis.

4.35 The table below shows the number of school cycle and scooter racks that have been installed over the past two years and gives a forecast for this financial year.

<b>Financial year</b>	<b>Number of bike racks installed*</b>	<b>Number of scooter racks installed*</b>	<b>Notes – schools or reasons for year-to-year change</b>
2022/23	96	105	Blackhall, Brunstane, Corstorphine, Duddingston, Prestonfield, Stenhouse
2023/24	108	30	Castlevie, Niddrie Mill, St. Francis, Flora Stevenson, Granton, Sighthill Early Years, Holyrood, JGPS, St. John's, Towerbank
2024/25 <i>to date</i>	37	30	Buckstone, Parson's Green, St. John's, Dalmeny
2024/25 <i>full year forecast</i>	62	110	Sighthill Primary, Nether Currie, Newcraighall Primary

\* each rack holds two bikes/scooters

## 5. Next Steps

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- 5.1 If the recommendations of this report are approved, the process to tender a new contract for an external provider to undertake the administration and maintenance of the scheme will follow the Council's Contract Standing Orders and reporting requirements.
- 5.2 Recognising the conclusions of the review, to ensure continuity and avoid a gap in service (noting that the current contract is due to end at the end of January 2025), a tendering process has already commenced.
- 5.3 The anticipated timetable for the tendering process is outlined in the table below:

Action	Anticipated completion date
Publish Tender	October 2024
Tender Return Date	5 November 2024
Tender Evaluation	Mid November 2024
Contract Award	Mid December 2024
Contract Start & Commencement of service	Late January 2025

- 5.4 A tender evaluation process has been put in place by Commercial and Procurement Services (CPS) and it is intended to evaluate the quality and pricing elements of the contract separately, as is usually the case for contracts of this type.
- 5.5 The scoring for the quality and pricing elements of each tender submission will be combined to select the winning tender bid. This process is designed to find best value in the market for the Council.
- 5.6 Further external funding opportunities will continue to be explored to allow for the delivery of future rollouts of the scheme and to retain the subsidy.

## 6. Financial Impact

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- 6.1 A summary of the current costs and financial implications of the proposal to in-source the administration, operation and maintenance of the scheme is set out in the Main Report section.
- 6.2 The current scheme operates at no cost to the Council. However, should income remain in line with the forecasts contained in this report, the £240,000 estimated annual cost of operating the scheme inhouse would result in a requirement for an annual subsidy of £105,000. This excludes set -up costs, and also any costs associated with keeping user charges at their current reduced level.

- 6.3 In order to install further secure on-street cycle storage units, it is likely that external funding will be required.

## **7. Equality and Poverty Impact**

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- 7.1 There are no known disadvantages to equality and human rights that elected members need to consider when reaching their decision.
- 7.2 Socio-economic implications were identified for those unable to afford a cycle hangar space given the current fees. These have been mitigated by the implementation of a subsidy.
- 7.3 The project helps to address issues of victimisation due to high levels of crime, in this case bike theft. Some families have been victims of bike theft numerous times before coming to this scheme. The project explicitly promotes equal opportunities for the elderly, children and certain types of disabled people who can use the hangars to store a bicycle where it would otherwise be impossible. Bike ownership is likely to be encouraged by making parking easier. By reducing the number of bikes in stairs it can help foster good relations between neighbours as cluttered stairs are known to occasionally cause friction. Groups such as the elderly who may struggle due to problems carrying bikes up multiple floors can benefit most from the scheme.

## **8. Climate and Nature Emergency Implications**

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- 8.1 This project contributes to emission reduction targets by encouraging people to switch to a non-emitting transport mode, cycling.
- 8.2 It allows some to use a cycle who would otherwise be unable to do so due to storage issues in certain types of property.
- 8.3 The Council does not site any units on green space, to avoid reduction of biodiversity.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 Cyclehoop has confirmed that no staff members would need to transfer if they lost the contract and therefore The Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 is not relevant to this decision.
- 9.2 Aside from the financial gap to bring this work in-house, there are additional challenges and risks to consider:
- 9.2.1 Payment issues: As the Council would manage the user transactions for the scheme and this income would be a key part of funding resources, the



Council would take on a different level of financial risk when payments do not clear or are overdue;

9.2.2 Reputational implications: With the contract being outsourced to an external company, the Council ensures that the quality and speed of the service meet certain set standards. Prompt maintenance of units may depend on spare parts procurement and delivery lead times. Whilst spare parts could be kept in stock, storage of these may prove difficult given the size of some of the spare parts. Not meeting these standards or having gaps of service may damage the Council's reputation, quality of the service or the ability of residents to access it; and

9.2.3 Attracting and retaining workforce: Some of the work requires staff with specialist skills; in a competitive job market it may prove difficult to successfully recruit, train and retain staff, which could lead to gaps in service.

9.3 If in-sourcing is to be further considered, it would not be possible to have a solution in place by the time the current contract expires. Therefore, an external contract will still be required to be able to continue the service without disruption.

9.4 The Council could subsequently terminate this contract should it decide to in-source the service. However, there could be implications with committed work to install new cycle hangers and the requirement to procure a new contract to install new units.

## **10. Background reading/external references**

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10.1 Secure On-Street Cycle Parking Project – Further Expansion, [report](#) to Transport and Environment Committee on 22 April 2021

10.2 Secure On-Street Cycle Parking Project – Progress Report, [report](#) to Transport and Environment Committee on 18 May 2023

10.3 Secure On-Street Cycle Parking Project – Progress Report, [report](#) to Transport and Environment Committee on 23 May 2024

## **11. Appendices**

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Appendix 1 - Scheme functions to be in-sourced and/or set up and resources

## **Appendix 1 - Scheme functions to be in-sourced and/or set up**

### **User registration**

- Set up and maintain an online portal to allow members of the public to note interest, sign up to an available space or propose a potential new location for consideration in any future roll out.
- Promote the units to ensure available spaces are utilised effectively if existing demand is not present.

### **Ongoing Management**

#### Communication with prospective users

- Once a new site has been identified and unit approved for installation, those on the waiting list will get first choice providing they pass the application process.
- If users leave, spaces should be filled by contacting the next prospective user in the waiting list or promoting the units in the tenements.

#### Registration, Review of Usage and Renewal

- Send out and store registration forms and 'Terms and Conditions' to users.
- Once fees and deposits have been paid, allocate spaces to the users.
- Manage user cancellations of service (1 month notice).

#### Issuing and management of keys

- A system to effectively manage the keys would need to be set up including:
  - Tagging and keeping master copies.
  - Logistic distribution and recovery when a new user takes over a space from an existing user or if a key is lost (including the replacement of the lock).

#### Payments

- Set up a system to take service and deposit payments from users (this could be taken monthly or annually).
- Ensure payments are cleared investigating and resolving any issues.
- Refund deposits as appropriate when users leave.

#### Waiting List

- Maintain a waiting list for those who express interest in registering, but where there are no free spaces available.
- If there is a free space available at the relevant location, direct the potential user to the registration forms and user agreement.
- When a user leaves the scheme, contact the next potential user on the waiting to see if they would like the vacant space. If so, then they will be sent a link to the registration forms and user agreement.

### Relocation of units during road works

- A system would need to be in place to relocate the units during road works (both emergency and planned).
- Units would need to be returned to their usual space once road works are completed.
- Users should be informed of these movements and bikes should be removed during the relocations.

### **Maintenance Plan**

- A reasonable level of proactive maintenance is to be carried out throughout the operating life of the units such as general cleaning and greasing movable parts, bolting parts if damaged/worn out, changing locks and any required paint work.
- Units are to be serviced and cleaned biannually.
- Reactive maintenance requirements to fix any material issue should be carried out within 3 days and resolve any issue which prevents user access to their bicycles within 24 hours.
- Report any graffiti to the relevant Council service to arrange for cleaning (this may incur additional costs).

### **Monitoring Plan**

- The following elements of the scheme must be monitored, and information reported on a bi-annual basis:
  - Registration of User record;
  - User surveys;
  - Maintenance; and
  - Misuse.
- Registration information would be recorded per user, this would include:
  - Registered username;
  - Address and contact details;
  - Waiting list username;
  - Fee payment information;
  - Key/deposit information;
  - Date of registration/ renewal information;
  - Responsibilities of the user; and
  - Recorded misbehaviour.

- Carry out biannual surveys of users. These surveys should link with the initial registration and renewal process.
- The ongoing monitoring must record any level of crime and vandalism associated with the units.

## **Resources**

Officers have reviewed the current contract pricing schedule to compare the cost differences between contracting the services to an external provider and the projected costs of the Council employing operational resources and contracting/managing all of the required services directly.

Cyclehoop (the current provider) currently operates across the country performing the same functions for different areas and authorities. This business model allows for synergies and efficiencies delivering those functions.

Whilst the Council could procure and manage many of these services directly, the costs are expected to be significantly higher due to the Council having lower buying power and significantly reduced economies of scale than a service provider operating on a national basis.

The total annual running cost for an in-house service is estimated to be approximately £240,000 per year.

In addition, it is anticipated that the Council would incur additional set-up costs of circa £150,000 (one-off).