

# Transport and Environment Committee

10.00am, Thursday, 11 November 2021

## Edinburgh Cycle Hire Scheme – future delivery and interim community initiatives

Executive/routine	Executive
Wards	All
Council Commitments	17

### 1. Recommendations

---

- 1.1 That the Transport and Environment Committee:
  - 1.1.1 Notes the current position on the Edinburgh Cycle Hire Scheme (ECHS) and the proposed short and medium-term mitigating measures set out in the report;
  - 1.1.2 Agrees to the establishment of a project team to take forward a detailed assessment of proposed objectives for a new scheme in the medium to long term. The outcome of this will be reported to Committee as early as possible; and
  - 1.1.3 Approves the funding to support the short-term mitigating measures, as detailed in paragraph 4.14 of this report.

**Paul Lawrence**

Executive Director of Place

Contact: Daisy Narayanan, Senior Manager - Placemaking and Mobility

E-mail: [daisy.narayanan@edinburgh.gov.uk](mailto:daisy.narayanan@edinburgh.gov.uk)

# Report

## Edinburgh Cycle Hire Scheme – future delivery and interim community initiatives

### 2. Executive Summary

---

- 2.1 Edinburgh Cycle Hire Scheme (ECHS) closed on 17 September 2021, following the end of the concessionary contract with operators Serco.
- 2.2 The Transport and Environment Committee approved a motion at the reconvened meeting of the Committee from [19 August 2021](#) (on 9 September 2021) that called for a report in November outlining options for a new scheme.
- 2.3 This report addresses the motion by considering the merits of the former Serco scheme; outlines proposed objectives for any new scheme; and proposes the establishment of a project team to prepare detailed options for the medium and longer term. It also proposes short-term, mitigating actions that can be implemented while longer-term options are developed for approval and subsequently implemented.

### 3. Background

---

- 3.1 The ECHS was procured by Transport for Edinburgh (TfE) and launched on 18 September 2018. The delivery of the scheme with the operator, Serco, was at no cost to TfE via a three-year Concession Contract, with the option of a four-year extension. At the time of closure, the scheme had a fleet of 600 bikes and 150 e-bikes.
- 3.2 Due to significant issues around theft/vandalism and the resultant financial impact, Serco confirmed to TfE that they were not prepared to extend the current Concession Contract for a further four years, beyond 18 September 2021, without variation. Due to the financial challenges, they sought to move to a Managed Service Model, thereby transferring financial and delivery risk to TfE. The refreshed service would have required a security upgrade to the fleet and docking infrastructure to ensure additional and improved security against theft and vandalism.
- 3.3 The Board and the Audit and Risk Committee of TfE considered several options to maintain the operating scheme. However, following protracted negotiations, a

mutually acceptable contract extension could not be agreed. Consequently, the ECHS closed at midnight on 17 September 2021, when the original Concession Contract came to an end.

- 3.4 The announced closure of ECHS was met with disappointment from many in the city, including partners, funders, businesses and users of the scheme.
- 3.5 At the reconvened August meeting (9 September 2021), the Transport and Environment Committee approved the following motion:
  - 3.5.1 Notes with great regret that the Edinburgh Bike Hire Scheme will close from September 17 at the end of the contract with Serco through Transport for Edinburgh.
  - 3.5.2 Notes that this will be an unwelcome development for many regular users of the scheme.
  - 3.5.3 Notes that, despite this being created originally as a scheme with no local authority funding expectations, a budget allocation of £1.8m was made to help sustain the bike hire scheme and that further external funding was also secured to help overcome operational issues.
  - 3.5.4 Recognises that a successful bike hire scheme in this city is a welcome addition to sustainable transport options for residents and visitors, encouraging more people to enjoy the benefits of fast, sustainable journeys by bike.
  - 3.5.5 Requests a report to the November Transport and Environment Committee outlining options for new possible schemes which can deliver those benefits to as many people as possible.
- 3.6 This report addresses the motion by considering the merits of the former Serco scheme; outlines proposed objectives for any new scheme; and proposes the establishment of a project team to prepare detailed options for the medium and longer term. It also proposes short-term, mitigating actions that can be implemented in the short and medium-term while longer term options are developed for approval and subsequently implemented.

## 4. Main report

---

### **Serco Scheme and Lessons Learned**

- 4.1 ECHS showed there is a clear demand for cycle hire in Edinburgh. For example:
  - 4.1.1 ECHS had over 70,000 users to access bikes, with nearly half of a million trips being made during the life of the project;
  - 4.1.2 During 2020, when ECHS was the fastest growing scheme in Britain, there were 234,500 trips made. Given the various COVID-19 lockdowns, these trips were made almost entirely by Edinburgh residents.

4.1.3 In 2020, ECHS won the award for Cycling, Walking and Public Realm at the Scottish Transport Awards.

4.3 The scheme expanded beyond the original operating area and, at the time of closure, covered the network demonstrated in Figure 1 below:



Figure 1 - ECHS's Cycle Hire Point Network at point of closure

4.4 Figure 2 below shows the extent of the use of bikes across the city. While the ECHS was able to provide data on how many journeys, to get a more in-depth picture of who was using the bikes required a customer survey. This was completed in the first year of the scheme operation (2018/19) but not thereafter, principally due to the impact of COVID-19.

4.5 The customer survey conducted in 2018/19 provided the following information:

- 80% of the users identified as 'Live and Work in Edinburgh';
- 12% of the users identified as 'Commute in and Work in Edinburgh';
- 2% of the users were tourists;
- 6% of the users identified as students; and
- 25% of the users identified as women in comparison to 17% of the general cycling population surveyed in the 2019 Bike Life.



*Figure 2 – August 2020 showing extent of use of the bikes*

- 4.6 The main advantage of the former scheme was that it helped “normalise” the use of bicycles as an effective mode of travel and provided an opportunity for returning and new users. It also contributed, in a positive way, to main outcome themes identified in the Council’s Business Plan of wellbeing and sustainability.
- 4.7 The main lesson learned from the three years of operation is that a scheme cannot operate with financial sustainability without some form of subsidy. By way of comparison, to continue with the former scheme would have required a subsidy of approximately £500,000 per annum and this assumes over £1m of income per annum, through ridership fees and sponsorship, would be generated. Further, one-off investment of £1.172m was required to upgrade security for the fleet.
- 4.8 In addition, to the financial subsidy required, an analysis of the former scheme was carried out by TfE that identified a number of other matters to be considered for any future scheme:
- 4.8.1 Clearly defined aims and objectives should be developed before procuring a solution. These should be consistently applied throughout the duration of the contract;
  - 4.8.2 Ensure that all infrastructure specifications take account of the need to minimise the opportunities for vandalism (recognising the previous levels of vandalism experienced);
  - 4.8.3 Use of CoMoUK cycle hire scheme accreditation for operator, bike and, if possible, infrastructure;
  - 4.8.4 Develop a scheme which meets the needs of wider community (e.g. through the inclusion and provision of cargo bikes and other adaptive bikes);
  - 4.8.5 A future scheme should be delivered as part of an integrated transport offer that includes buses, trams and bicycles;
  - 4.8.6 Outreach / behavioural change resource needs to be embedded within the scheme; and

4.8.7 Recognise that capital and revenue funding will be required for the duration of the contract.

### **Objectives for a Replacement Scheme**

4.9 In response to the lessons learnt, in developing options for a future scheme the following aims and objectives are proposed:

4.9.1 **Alignment with the City Mobility Plan:** to improve health, wellbeing, equality and inclusion; to support inclusive and sustainable economic growth and respond to climate change; and to protect and enhance our environment;

4.9.2 **Be inclusive:** by providing access to adaptive and non-standard bikes;

4.9.3 **Community Involvement:** ensuring that communities have the opportunity to input before any medium or longer-term proposal is implemented;

4.9.4 **Integrated with the wider public transport provision in Edinburgh:** it was recognised in the report on reform of the Council's Transport Arms Length Organisations (ALEO) that any future cycle hire provision should be delivered as part of an integrated transport network for the city. The corporate structure approved by Committee envisaged that the ALEO will become the entity responsible for delivery of all Council owned transport modes to ensure integrated transport in the city;

4.9.5 **Seek to increase cycling amongst low participant groups:** particularly economically /socially disadvantaged groups and individuals throughout the city; and

4.9.6 **Funding:** any proposal must be delivered within the funding made available by the Council.

### **Options**

4.10 The commencement of a procurement process to deliver a like for like replacement is not recommended until further analysis and assessment of the objectives and preferred outcomes has taken place. To simply commence a new like for like procurement will increase the risk of future failure, in that, the Council needs to articulate what is required, within the funding available, rather than ask operators to dictate that agenda.

4.11 This means splitting options into the short/immediate, short and longer term, which are outlined below.

### **Longer Term Options**

4.12 The longer-term options will take time to develop (for example, a direct replacement city-wide scheme would require a full procurement process, which could take up to 18-24 months to deliver). In order to undertake a full options appraisal and identify a preferred approach, it is proposed to establish a project team that would initially carry out research and engagement with stakeholders, including a workshop with Elected Members and seeking views of local communities, on the proposed

objectives and the options for delivering them. This work would then form the basis of a report to a future Committee with detailed proposals, financial forecasts and recommendations.

### **Medium Term**

- 4.13 In the medium term, officers will investigate a model of city bike club, working in partnership with retailers and other relevant organisations to better understand the demand for the bike hire service. Further work is required to determine how quickly this could be delivered and to put in place the practical arrangements required for this. This will look to add value to the regional cycle hire scheme co-ordinated by Sustran.

### **Short Term - Interim measures**

- 4.14 As the medium and longer-term measures will require time to prepare, it is proposed that the Council uses some of the available funding to mitigate the closure of the ECHS in the short term by making modest investment in community-led approaches. It is considered that this will offer contributions towards a new cycle hire scheme in the future, by being part of the solution, and are complementary to the Council's Smarter Choices, Smarter Places programme:

- 4.14.1 **Continue All-Ability Cycling:** at the reconvened meeting on [9 September 2021](#), Committee approved a grant award of £71,000 to the Thistle Foundation for the delivery of the All Ability Cycling project. This offers adaptive cycles to people with disabilities. This will provide useful feedback on how a future cycle hire scheme could offer an inclusive and adaptive bike offer;
- 4.14.2 **Brake the Cycle (BTC):** for over 10 years BTC has been able to give offenders skills and knowledge on bikes and bike repair, while recycling thousands of bikes and making them safe for reuse by those in need. Offenders and beneficiaries have both responded positively to the service. BTC was initially funded through a Scottish Government grant and is currently run in partnership with the Bike Station for bicycles to be sold. There may be scope to expand this initiative, and for bicycles to be donated more widely and therefore it is proposed to allocate £95,000 in 2021/22 to this programme;
- 4.14.3 **Working with Universities/Colleges:** working in partnership with the University of Edinburgh, the Council and the Energy Savings Trust, this project will expand the current programme of cycle confidence training to be offered to all higher education institutions in the city. This will capitalise on the increased appetite to deliver more support for students cycling in Edinburgh by providing an e-bike fleet for universities and colleges to run a mini cycle hire scheme for its students and staff. Therefore, it is proposed to allocate £205,000 between 2021/22 and 2022/23 for this initiative;
- 4.14.4 **Supporting the expansion of the Cargo Bike Movement:** Cargo Bike Movement was established in April 2020 in response to the first national

COVID-19 lockdown, and was funded through Paths for All, SEStran and Transport Scotland. The team are based in Council-owned premises at Tollcross. It is proposed to allocate additional funding of £75,000 in 2021/22 to allow the project to continue with a soft launch of a cargo bike hire scheme; offering the opportunity for members of the public, local businesses and organisations to loan cargo bikes for a short-term duration. Once new cargo bikes are received (through funding from Energy Saving Trust), the scheme will be able to expand to longer-term loans.

- 4.15 The above initiatives offer great potential to utilise funding both to encourage behaviour change, and to gain additional insight for the development of a successful cycle hire scheme option in the future.
- 4.16 The Council has approved funding of £800,000 in this financial year towards a future city-wide cycle scheme, a further £500,000 per annum thereafter. It is assumed that this funding will be required in full once a new scheme has been procured and therefore any interim funding should be considered as one-off as opposed to recurring.

### **Conclusion**

- 4.17 The Council will establish a project team to take forward the detailed assessment of options with a view to reporting back to Committee. In the interim, it is proposed that mitigating measures will be supported as detailed in this report.

## **5. Next Steps**

---

- 5.1 It the recommendations of this report are approved:
  - 5.1.1 The short-term interim measures set out above will be implemented;
  - 5.1.2 A project team will be established to take forward the detailed assessment of options with a view to reporting back to Committee; and
  - 5.1.3 Engagement with the community led initiatives over funding commitments and future synergies with the proposed future scheme.

## **6. Financial impact**

---

- 6.1 For a cycle hire scheme, as part of the budget setting process for 2021/22, the Council committed £800,000, for the current financial year and £500,000 per annum thereafter. In addition, £71,000 was provided in 2021/22 for All Ability Cycling.
- 6.2 The costs associated with the recommendations in this report in 2021/22 and 2022/23 are outlined in the table below:



<b>Action</b>	<b>Cost Proposed 2021/22 £</b>	<b>Cost Proposed 2022/23 £</b>
Cost of developing options and procuring a new scheme (e.g. Programme Manager, in-house and specialist legal experience, sponsorship specialist)	40,000	140,000
Secondment from TfE to support the procurement process.	10,000	35,000
All-Ability Cycling * Note: this funding was provided separately to the funding provided for a cycle hire scheme	£71,000*	
Break the Cycle	£95,000	
University and Higher Education training and e-bike programme		
University & Higher Education Training and access to bikes	£40,000	£125,000
University of Edinburgh – e-bike Project	£40,000	
Cargo Bike Movement	£75,000	
<b>TOTAL</b>	<b>£300,000</b>	<b>£300,000</b>

## **7. Stakeholder/Community Impact**

---

- 7.1 Council officers and colleagues from TfE worked together with partners on the ECHS.
- 7.2 It is proposed to continue to work in partnership with TfE and to engage with the previous funders of ECHS.
- 7.3 Following stakeholder discussions, the proposed short-term measures have been identified based on known gaps in the previous ECHS (for example: provision of cargo and adaptive bikes, engagement with young people in the demographic likely

to vandalise, and the gap in provision created by removal of ECHS at the University of Edinburgh).

- 7.4 Moving forward, if the report recommendations are agreed, the project team will work with stakeholders and communities to develop longer-term options for a cycle hire scheme in Edinburgh.

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

---

- 8.1 None.

## **9. Appendices**

---

- 9.1 None.