



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Belfast Public Bike Share Scheme
Date:	18 th April 2014
Reporting Officer:	Gerry Millar Director of Property & Projects Ext 6217
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1	Relevant Background Information
1.1	The SP&R Committee agreed at its meeting on the 21 st March 2014 to proceed to awarding the contract for the Design, Build, Operation and Maintenance of the Public Bike Share Scheme, subject to additional resources required for the capital construction being secured from DRD.
1.2	The development of a Public Bike Share scheme is identified as a partnership project in Belfast City Council's Investment Programme 2012-2015. The primary objective of the Belfast Public Bike Share scheme is to provide a sustainable low cost transport system for the citizens of Belfast and for visitors as well as benefits such as improved health and reduced congestion.
1.3	Phase 1 of the Public Bike Share scheme aims to create a network of up to 30 docking stations supporting 300 bikes with associated infrastructure in the city centre to be implemented by March 2015. The locations of the docking stations were agreed by the Development Committee on 19 th March 2013 and ratified in the Council meeting on 3 rd April 2014.

2	Key Issues
2.1	Members were asked to note last month that the submission from the preferred bidder for Lot 1 to Design, Build, Operate and Maintain indicated that the capital cost for Phase 1 will be £1,140,000. The original Council grant award was £698,700 therefore indicating a deficit of £441,300.
2.2	A supplementary application had however been made to DRD for an increase in grant support to cover the additional capital cost for Phase 1. DRD has considered the Council's request for £441,303 further capital funding and in a letter to the Chief Executive on 10 th April 2014 they have confirmed that they will meet the full amount of the capital costs of the Public Bike Hire Scheme of £1,140,000.
2.2	<p>Ownership of the proposed bike docking station sites (as listed in Appendix 1) falls into the following categories:</p> <ul style="list-style-type: none"> • Private Ownership • Department of Social Development • Belfast City Council • Department of Regional Development, Road Service
2.3	Definitive locations will need to be agreed between the operator and the Council in line with the contract requirements for a total 30 no docking stations.
	Legal Arrangements/Agreements
2.4	<p><u>Sites in Private and DSD Ownership</u></p> <p>It is proposed that the Council shall take a licence of the lands required for the docking stations from private landowners and DSD. Whilst DSD assets are due to transfer to the Council in April 2015 under LGR the public bike hire scheme needs to be implemented by March 2015. A Licence Agreement will therefore be required with DSD for the period pre LGR transfer.</p>
2.5	<p>The Licence Agreements will permit the Council to use and occupy the sites for the purpose of a Public Bike Share Scheme and the landowners contractual arrangements will be with the Council rather than with the Scheme Operator. This is the preferred approach insofar as it satisfies the landowners and provides the Council with control over the use and development of the sites. The terms of the licence are summarised as follows:</p> <ul style="list-style-type: none"> (i). A term of 6 years renewable for a further 3 years. (ii). An option in favour of the Council to renew at the end of the 9th year. (iii). A licence fee of £1.00 per annum, if demanded and without review (iv). Use restricted to bike docking stations only (v). Council right to terminate
2.6	Following the grant of licences, the Council will enter into 'back to back' Agreements with the Operator in relation to the development, use and occupation of the bike docking station sites. These will be known as 'Land Access Agreements' by which the Operator is bound to perform the obligations imposed on the Council under the terms of the Licence and all development and operational rights will be conveyed to the Operator. In addition, the Land Access Agreements will indemnify the Council against any legal action arising out of the Operator's use and occupation of the sites.

2.7	<p><u>Sites in Council Ownership</u></p> <p>The Council shall grant a licence on BCC held sites to the Operator on similar terms and conditions as above.</p>
2.8	<p><u>Sites in DRD/Roads Service Ownership</u></p> <p>The DRD has confirmed that the construction and maintenance of bike share docking stations shall be by way of a Street Works Licence(s) to be granted by DRD to the Council. The Council will subsequently enter into Agreement(s) with the scheme Operator in relation to the installation, maintenance management and operation of the bike hire scheme on DRD lands. DRD has advised that this is permissible but the Council is not permitted to contract out off or assign its legal responsibility for any offences under the Street Works (NI) Order 1995.</p>
2.9	<p>However, the Council will protect its position by ensuring that the obligations imposed on the Council under the Street Works Licence are passed, as far as they can be, to the Scheme Operator. This will be achieved by a condition imposed on the Operator making compliance with the Street Works Licence and the relevant legislation a condition of the operational contract. Further, the Council shall have the right to terminate the Agreement in the event of a breach of the Street Works Licence. In addition, the Operator will be obliged to provide a warranty to the Council ensuring compliance with the Street Works Licence and the Council will be permitted to monitor the use and occupation of the lands.</p>

3	Resource Implications
3.1	<p><u>Financial</u></p> <p>The licence agreements are on the basis of a nil rental. Capital and revenue financial implications were included in the report to the Strategic Policy & Resources Committee on 21 March 2014. As noted above, DRD has now confirmed that they will meet the full amount of the capital costs of the Public Bike Hire Scheme of £1,140,000.</p>
3.2	<p><u>Human</u></p> <p>Staff resource from Estates, Urban Development and Legal Services required to progress the land access and licence agreements.</p>
3.3	<p><u>Assets</u></p> <p>Occupation of the docking station sites by way of the legal agreements as detailed above represents effective asset management.</p>

4	Equality and Good Relations Considerations
4.1	There are no equality or good relations implications connected with this report.

5	Recommendations
5.1	The Committee is asked to approve that the appropriate Licences, Land Access Agreements and Street Works Licences are entered into in relation to the Public Bike Share Scheme docking stations, as outlined above and subject to detailed terms being agreed by the Estates Manager and Legal Services.

6	Key to Abbreviations
<p>BCC – Belfast City Council DRD – Department of Regional Development DSD – Department of Social Development</p>	

7	Documents Attached
<p>Appendix 1: Schedule of Sites and Ownership</p>	

APPENDIX 1