



Subject:	Belfast Bikes Review Update
Date:	13 September 2017
Reporting Officer:	Donal Durkan, Director of Development
Contact Officer:	Maggie McNally, Strategic Programme Manager Anne Doherty, Planning and Transport Officer

Restricted Reports	
Is this report restricted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input checked="" type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of the report is to provide Members with an update on the initial stages of the strategic review and actions approved by Committee at its meeting on the 9 th August 2017.
2.0	Recommendations
2.1	The Committee is asked to: <ul style="list-style-type: none">• Note the update on the business case;• Agree proposed actions to improve security of the scheme and reduce vandalism;• Consider the recommendations for the pricing review and if appropriate agree for implementation;• Approve the procurement process for sponsorship contract;

	<ul style="list-style-type: none"> • Agree recommendations for relocation of docking stations subject to a report being brought back to SP&R for consideration; and • Note the ongoing promotional activities.
3.0	Main report
3.1	<p>At the Committee meeting in August 2017, Members agreed to:</p> <ul style="list-style-type: none"> • an update on the business case to provide Members with the revised investment level going forward; and • consideration of options aimed at reducing the level of investment. The proposed options include the following: a review of membership charges; a review of existing station locations; and recommendations to improve security and reduce vandalism costs.
	<p>Update on Business case</p>
3.2	<p>Members will be aware that the annual investment in the Belfast Bikes scheme has been higher than projected in the original business case. The annual investment by the Council in Year 1 was £179k and in Year 2 it was £215k. Although income from membership subscriptions and usage charges increased in Year 2 by 16.5 %, (Year 1 - £115K and Year 2 - £134k), operational and management costs increased due to additional stations being added to the network and an increase in maintenance charges due to vandalism.</p>
3.3	<p>The business case used to inform the Council's projections was commissioned by the Strategic Investment Board and published in 2012. At the time, bike share schemes were in their infancy in the UK and Ireland and information on the transparency of costs and income was not widely available. In recent years, bike share schemes have expanded rapidly in the UK and in the regional cities in Ireland and experience shows that they require some level of public sector investment. Funding models differ between cities however, the level of investment in the Belfast scheme is similar or lower than other comparator cities. For example, Dublin City Council contributes around €376,000 per annum towards the operating cost of the Dublin Bikes Scheme.</p>
3.4	<p>The level of investment in the scheme for 2017/2018 financial year is set at £209k. Members requested that options to reduce the level of investment from Year 3 onwards were investigated and brought back to the Committee for consideration. The options are considered in the following sections.</p>

3.5	<p>Review of membership options and pricing</p> <p>This section outlines the potential to increase income from reviewing subscription and usage charges and amending terms and conditions in order to reduce the Council’s level of annual investment.</p>
3.6	<p>Subscriptions and usage</p> <p>The income from current subscriptions and usage is derived from annual membership (£20), 3 day casual membership (£5), usage charges for journeys over 30 minutes and late return charges. The rates were agreed at Committee on the basis that the level of charges were affordable to ensure the scheme will remain accessible to low income users and to encourage sustainable travel for short journeys.</p>
3.7	<p>Following the review and feedback from the elected Members’ workshop, the following recommendations are proposed for consideration:</p> <ul style="list-style-type: none"> • A number of pricing options and the potential impact on membership and growth rates were considered as shown in Appendix 2. It is recommended that Option 2 - Increase annual membership fee by £5 to £25 is the preferable option. <p>The small increase could contribute to the future viability of the scheme and allow smaller-scale expansion to be considered in the future. A similar annual membership fee increase of €5 was introduced for the Dublin Bikes scheme in February 2017 and feedback from Dublin City Council showed no notable decline in membership renewals. The Belfast Bikes scheme is now an essential part of member’s daily commute and it is considered that the slight increase of £5 would not deter renewal of membership, however a £10 increase may have a negative impact.</p> <ul style="list-style-type: none"> • Increase casual membership by £1 to £6. <p>This small increase could also contribute to a rise in revenue to secure the future viability of the scheme. The fee is considered still good value for money for casual users and should not deter customers.</p> <ul style="list-style-type: none"> • Introduce a new ‘pay as you go’ option. <p>Many schemes around the UK and Europe offer a ‘pay as you go’ fare option as it allows individuals who visit the city infrequently to make use of the scheme without committing to an annual membership or casual membership. It is considered that this new tariff would open up a new market of day trippers, overnight leisure and business travellers. Recent research (May 2017) on tourism numbers in Belfast indicated that there were around 1.5million overnight trips to Belfast in 2016. Research suggests that the most popular activity by “out of state” visitors to Belfast was to have a walk around the city</p>

(71% according to the same study) and this could easily translate to cycling. The new proposal could open up a revenue stream at weekends when the usage of the scheme is low and day trips to Belfast are high. The proposal would be £1.00 per 30 minutes and potential users will still be required to register their details. This may be more attractive to day trip visitors and students who currently do not use the scheme due to cost of subscriptions.

- **Amend terms and conditions to remove the condition to allow casual members the ability to rent additional bikes on one account.**

The terms and conditions for annual and casual membership allow customers to rent an additional 4 bikes for friends and family without charging a registration fee, however there is no free 30 minutes for these rentals. This is a benefit offered for membership and can be used by a tourist to allow friends or family accompanying them to use additional bikes on one account. The breakdown from the operator does not provide the figures on how often this is used but it is proposed that it should be removed from the casual members' accounts to encourage more casual subscriptions. It is proposed to retain the benefit for annual members as it would be difficult to amend. Acceptance of the terms & conditions is required by annual members when they first register and it is not required again for renewal.

3.8 It is proposed to retain the 30 minutes free period and subsequent level of usage charges for annual and casual members for a number of reasons:

- this is a standard feature for Bike Share schemes to encourage usage; and
- a majority of journeys on Belfast Bikes are less than 15 minutes duration.

See Appendix 2 for charging rates for other bike share schemes.

3.9 If approved by the Committee, these recommendations will require an update of the information on docking station terminals and this will have an associated cost. However, rather than replacing information panels on the station terminals, low cost options will be considered. The website update and changes to the terms and conditions for casual users can be implemented without incurring significant additional cost. A programme of communications will have to be undertaken by the Council's Communication Officer to ensure that all users are aware of the changes. It is also recommended that any changes to the pricing policy are put into place for the new 18/19 financial year.

3.10	<p>Sponsorship</p> <p>Sponsorship income has provided substantial financial support towards the ongoing operation and maintenance of the Belfast Bikes scheme. The sponsorship contract for Belfast Bikes was awarded to Coca-Cola HBC Northern Ireland Limited over a 3 year period from the operational commencement date (27th April 2015).</p>
3.11	<p>The value for Phase 1 (300 bikes & 30 docking stations) was placed at £100,000 for annual sponsorship. It was subsequently agreed that Coca-Cola would provide an additional sponsorship payment at the same rate for Phase 1a (£333 per bike for the 30 extra bikes) with the caveat that the sponsorship fee will be capped at £110,000 per annum for the remaining two years of the contract.</p>
3.12	<p>The sponsorship of the Belfast Bikes scheme is a unique and highly beneficial sponsorship opportunity for an organisation. It provided Coca-Cola HBC with an unparalleled brand presence which stands out from the cluttered advertising environment in Belfast and an exclusivity of being associated with a high profile sustainable public transport system with high visibility on the streets. There is also a high level of primary and secondary coverage through press, TV, radio, and online through social media of being associated with the scheme.</p>
3.13	<p>The contract is due for renewal in April 2018 and it is considered that this is a significant opportunity to secure an increase in revenue from sponsorship. There are a number of options for sponsorship going forward which are outlined below for consideration:</p> <p>Option 1 – Secure one sponsor for the scheme with the exclusivity of being associated with the scheme. Similarly to the existing contract, one Sponsor would secure the naming rights for the scheme and exclusivity to branding of all the assets.</p> <p>Option 2 – One sponsor secures the naming rights for the scheme but not exclusivity to branding of all the assets. Additional sponsorship income could be sought for naming rights on the individual terminals, for a minimum number of bike panels, website and promotional material. This option will allow local companies to partner with the bike scheme through sponsoring a terminal near their business or by purchasing a number of bike panels.</p>
3.14	<p>Dublin Bikes sponsorship contract was recently due for renewal and they have secured a contract with ‘Just Eat Ireland’ which is at a higher value than their previous contract with</p>

Coca Cola Ireland. Feedback from Dublin City Council indicated that there was significantly greater interest for the second tendering exercise of their sponsorship contract which resulted in a bidding process between two companies.

3.15

It is recommended that the Council proceed with the procurement process for the sponsorship of Belfast Bikes whilst offering the more flexible options outlined above.

3.16

Relocation of Docking Stations

The relocation of docking stations with low usage was proposed as an opportunity as part of the scheme development at the recent elected members' workshop. This approach would allow a better deployment of the existing resources to increase usage and membership income without increasing the management cost. It should be noted that the relocation of stations can only be considered for the 30 stations funded under Phase 1 located in the core city centre area. DfI funded the 30 stations included in Phase 1 and they have agreed in principle that underused stations could be relocated to areas with potentially higher demand. Docking stations included in Phase 1a and Phase 2 were part funded by external organisations such as Queen's University, Belfast Trust, organisations located in Titanic Quarter area and DfC in order to service their facilities or the Building Successful Community areas and therefore cannot be considered for relocation. Appendix 1, Table 1 identifies the funding source for each docking station.

3.17

The following criteria has been used to shortlist potential Phase 1 stations for relocation:

- low rental and return history over the two and half years of operation (see Appendix 1, Figure 3)
- close proximity to alternative stations (see Appendix 1, Figure 2) and;
- station removal will not create a gap in the supporting network see (Appendix 1, Figure 2).

3.18

Using the above criteria, the following stations are proposed for relocation:

- Smithfield – Winetavern Street

Rationale – the station has consistently the lowest monthly usage of the Phase 1 stations. Low footfall and lack of destinations are the most probable explanation. There are nearby stations at Royal Avenue and Carrick Hill.

- Dunbar Link

This station also has low usage. There are close alternative stations at Cotton Court and Cathedral Gardens and therefore it is recommended for relocation.

- Writers' Square
This station also has low usage. There is a very close alternative station at Cathedral Gardens.
- North Street
This station has low usage and there is a close alternative at Cotton Court.
- East Bridge Street / Stewart Street
This station was originally selected in order to provide additional capacity for the Central Station location, however it experiences low usage. There are close alternative stations at Lanyon Place, May's Meadow and Cromac Square.

3.19

It should be noted that docking stations at Carrick Hill and Millfield also have low usage but have not been considered for relocation as the removal would create a gap in the supporting network.

3.20

Proposed new locations

The rationale for selecting new locations is based on the following:

- feedback from the Belfast Bikes survey;
- number of requests from the public;
- areas of high residential density or footfall;
- form part of a supporting network;
- close proximity to cycling infrastructure; and
- Scheme members' feedback.

3.21

The following new locations are recommended:

- 1 station on the lower end of Ormeau Road in the vicinity of Ormeau Bridge / Ormeau Park;
- 1 station mid-way on Ormeau Road in the proximity of Ulidia playing fields and local shops and restaurants; and
- 1 station in the vicinity of Rosetta roundabout and Ormeau Road/Ravenhill Road junction.

The Ormeau Road area received the largest number of requests for expansion during the Belfast Bikes survey and also receives a large number of requests through social media and by email. The area has a dense residential population and student population and is located close to the National Cycling Network along the tow path.

- 1 station at the Stranmillis Roundabout

The Stranmillis Roundabout is in close proximity to Stranmillis College, the National Cycling Network along the towpath and dense residential and student areas.

- 1 station located at Catalyst Inc

A large number of requests have been received from organisations located in the business park to locate a station in the vicinity. The area is not well connected by public transport and a bike station is viewed as a method to improve access to this location by sustainable travel.

3.22

Cost Implications

There is a cost of around £6,000 per station to relocate docking stations. Options for partnership support are being sought to contribute to these costs.

3.23

Vandalism and Theft

A number of security measures have been investigated in order to reduce vandalism incidents relating to the bike scheme infrastructure. Several bike docking stations have been identified in partnership with the operator for the potential introduction of CCTV. In advance of progressing this, a number of issues need to be considered:

- partnership permissions required for erecting cameras; and
- opportunities to tie in with existing CCTV systems i.e. investigation of additional camera at Girdwood that will feed an existing circuit.

A CCTV working group is being set up to consider CCTV usage across Council facilities. It is recommended that above measures and the associated costs are considered in partnership with this group.

3.24

Signage

A variety of low cost security signage and interim measures such as imitation cameras could be implemented as a deterrent to vandalism. The estimated costs for the signage is £800 This can be funded from the existing Development Department budget. Other measures will require further consideration.

3.24

Partnership working

PSNI representatives have confirmed that there has been a renewed commitment from the Crime Team to look at Bike Theft in the City Centre area as part of 'Operation KENFET'. This is an ongoing initiative aimed at reducing bike theft with a focus on the Belfast Bike Scheme. Recently, several arrests have been made with cases being brought to the Public

3.25	<p>Prosecution Service. The PSNI Crime Team has a number of other operations planned that will hopefully lead to more arrests and developments over the next weeks. There have been meetings with the PSNI Crime Prevention team in regards to future locations.</p>
	<p>The Belfast Bikes team is also working in partnership with the Council's Community Safety Wardens and several community groups. A number of events have been planned to engage with young people in the most affected areas.</p>
3.26	<p>Improvement of system</p> <p>There is ongoing engagement with the operator NSL and the system provider Nextbike to improve the system and to make the bikes and the stations more durable. New improved bicycle parts have been ordered and will be tested over the coming weeks. The Belfast Bikes are also being used as a pilot for the Smart Cities IPedal project where devices are installed on a number of bikes to collect data. This has the potential to be used for locating bikes that are missing from the system through theft or misuse.</p>
3.27	<p>Promotional Activities</p> <p>The Belfast Bikes team is tying in promotional activity with various events over the coming months including Cycle to Work Day (13 September), Freshers' events at QUB and Belfast Met, Titanic Quarter.</p>
3.28	<p>In 2016, Culture Night was the third busiest day of the year with in excess of 1,110 rentals. Building on this, it is proposed to capitalise on this development in 2017 and promote the bikes as a great way to get around the various activities. The team will also get involved in some of the bike-related events on the night.</p>
3.29	<p>24 September will see the third Ciclovía Belfast event in Belfast, where part of the city is closed off to traffic to give cyclists the opportunity to ride through the traffic-free zone en masse. To celebrate this popular event, usage fees on the Belfast Bikes will be waived between 9.30am and 12.30pm to encourage people to use the bikes for the event. If successful, there will be an opportunity to explore the Cycle Sunday initiative with a fee-free period one Sunday per month.</p>
3.30	<p>Officers are also working with public sector bodies and the business community to offer the promotional stands at staff events and presentations to inform employees about the scheme with a view to increasing subscription levels and usage. On 2 October, there will be a stand</p>

<p>3.31</p> <p>3.32</p> <p>3.33</p>	<p>and a number of demos at the Ulster Hospital's Travel Plan anniversary event. There will also be opportunities to organise more corporate and community events to tie in with new station locations.</p> <p>Officers are also exploring opportunities to develop a delegate package for conferences and this work will be accelerated once the fleet is up to full capacity. Following the appointment of the new sponsor, there will be an opportunity to embark on a new advertising campaign including targeted online advertising, radio and outdoor (with a focus on the commuter). The Bikes Scheme receives a lot of coverage on social media so there will be a significant social media campaigns to coincide with the agreed changes in the scheme.</p> <p><u>Financial & Resource Implications</u></p> <p>The costs of the individual elements have been identified above. A summary is as follows: Signage: £800 from existing Departmental Budget Relocation of Docking Stations: The cost of moving stations is approximately £30,000 in total. This will be a capital cost and will require SP&R approval if it is to proceed.</p> <p><u>Equality or Good Relations Implications</u></p> <p>No specific equality or good relations implications.</p>
<p>4.0</p>	<p>Appendices</p>
	<p>Appendix 1 - Station Usage and Station location information</p> <p>Appendix 2 - Pricing options & charging rates of alternative schemes</p>