



Subject:	Belfast Bikes Scheme – Performance Report
Date:	5th December, 2018
Reporting Officer:	John Greer, Director of Economic Development, ext. 3470
Contact Officer:	Anne Doherty, Planning and Transport Officer, ext. 3477

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input 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/Summary of Main Issues
1.1	This report provides an update on the performance of the Belfast Bikes public hire scheme with regard to usage to and financial performance. It considers options for a strategic review in the future to maximise the usage and minimise the subvention of the Belfast Bikes Public Hire Scheme while ensuring equity of access for all Belfast residents.

2.0	Recommendations																																		
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> consider a strategic review of the Belfast Bikes Public Hire Scheme, examining the current operating model and how usage can be increased and commercial revenues enhanced. Members will receive a future report detailing the terms of reference for a strategic review and any associated costs; and note the performance to date of the Belfast Bikes public hire scheme. 																																		
3.0	Main Report																																		
3.1	<p>Background</p> <p>The Belfast Bikes scheme launched in 2015. 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 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 approximately €376,000 per annum towards the operating cost of the Dublin Bikes Scheme.</p>																																		
3.2	<p>Historic Financial Performance</p> <table border="1"> <thead> <tr> <th rowspan="2">Financial Year</th> <th colspan="2">Income</th> <th colspan="2">Expenditure</th> <th colspan="2">Subsidy</th> </tr> <tr> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>15/16</td> <td></td> <td>£212,987</td> <td></td> <td>£392,170</td> <td></td> <td>£179,183</td> </tr> <tr> <td>16/17</td> <td>£336,340</td> <td>£251,064</td> <td>£422,780</td> <td>£466,474</td> <td>£56,440</td> <td>£215,410</td> </tr> <tr> <td>17/18</td> <td>£247,000</td> <td>£251,667</td> <td>£456,016</td> <td>£493,031</td> <td>£209,016</td> <td>£241,734</td> </tr> </tbody> </table>	Financial Year	Income		Expenditure		Subsidy		Plan	Actual	Plan	Actual	Plan	Actual	15/16		£212,987		£392,170		£179,183	16/17	£336,340	£251,064	£422,780	£466,474	£56,440	£215,410	17/18	£247,000	£251,667	£456,016	£493,031	£209,016	£241,734
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3.4 The forecasts articulated in the table above are predicated on the following assumptions. Expenditure is in line with budget at year-end.

YTD Financial Performance

3.5 18/19 YTD – Revenue £87,342.63
17/18 YTD – Revenue £79,120.94

Financial Performance Issues

3.5 The forecasted financial performance is primarily due to two factors, namely:

1. a delay in securing the sponsorship of the Belfast bikes; and
2. a forecasted failure of the bikes to achieve their rental revenue plan.

Sponsorship

3.6 Sponsorship of the Belfast Bikes ended in April 2018. A procurement exercise began Mid-April 2018 with a closing date of May 8th 2018. An award was made in August 2018 but, due to ongoing contract negotiations, the contract was signed in October 2018. The 18/19 financial plan assumed the ongoing sponsorship at a value of £110,000 per year, £9,166 per month. Therefore, the delay in sponsorship between April and September inclusive as resulted in a financial loss of £55,000.

3.7 It was agreed by the Committee in September 2017 to introduce new membership and usage charges from 1st April 2018. The annual subscription fee was increased from £20 to £25, the casual subscription was increased from £5 to £6 and a new ‘pay as you go’ option introduced with usage charges of £1 for 30 minutes usage was introduced. The changes have resulted in a drop in income detailed later in the report. In conjunction with the price change, the revenue plan for the Bikes assumed an increase in rental revenue from £114,845 to £194,668, a 69% increase in revenue. It was thought at that time that a combination of increased usage and price would generate the planned increase in revenue.

The table below details historic year on year growth/decline in rental revenues.

	15/16	16/17	17/18	18/19
Rental Income	£115,000	£134,000	£114,429	£118,436
Yr on Yr		116.52%	85.39%	103.50%

3.8 The increase in planned rental revenue was predicated on an increase in users of 35% linked to the aforementioned increase in rental rates. Members should note the relatively flat growth in the usage of the Belfast Bikes scheme.

Operational issues

Vandalism

3.9 Vandalism was an ongoing problem in Year 3 and did affect bike numbers on the street during Year 3 in particular in the last quarter. Extensive work has been ongoing with local communities, elected members, schools and the PSNI to reduce the incidents. There has been a reduction in the last quarter of Year 3 and the first 4 months of Year 4.

- Year 1 (27th April 2015 to 31st March 2016) - £1,800
- Year 2 (1st April 2016 to 31st March 2017) - £19,000
- Year 3 (1st April 2017 to 31st March 2018) -£22,700
- Year 4 (1st April 2018 to present) - £4,425.00 (This is down for the same period last year of £6,440)

- 3.10 Anti-vandalism initiatives include:
- Increased engagement with the PSNI
 - PSNI stickers on the terminals
 - Support for the operating team from Council community safety staff
 - Increase awareness of customers and citizens in general (crime prevention – phone number to call)
 - Continuous work with the operator to make the system more vandal proof
 - increased involvement of community organisations
 - Schools programme

3.11 NSL (the operator), has arranged, in conjunction with the youth justice agency, to provide training and work experience days for several young persons following youth conferences
Recent community Engagement Event are as follows:

Date	Event
June	Presentation to school – Corpus Christ
June	School St Joseph’s - stall and competition (around 50 kids took part)
June	Presence at community event Roden Street Community Centre
July	Presence at Lower Shankill Community Regeneration event
Spring	Meeting with Ballymac Community group
May	Stall at Girdwood Open Day

<p>3.13</p> <p>3.14</p> <p>3.15</p>	<p><u>Proposals</u></p> <p>Strategic Review – a strategic review of the bike scheme is required, specifically considering, reviewing the performance of the location and operation of Bike Docking stations, with a view to maximising revenue opportunities while ensuring equity of access.</p> <p><u>Financial and Resource Implications</u></p> <p>A further report will be provided to Committee detailing any additional cost associated with the proposed strategic review.</p> <p><u>Equality or Good Relations and Rural Needs Implications</u></p> <p>None</p>
<p>4.0</p>	<p>Documents Attached</p>
	<p>None</p>