



Subject:	Coca-Cola Zero Belfast Bike scheme
Date:	22nd January 2016
Reporting Officer:	Donal Durkan, Director of Development
Contact Officer(s):	Anne Doherty, Planning & Transport Officer Eve Bremner, Programme Manager

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

1.0	Purpose of Report
1.1	<p>This report asks Members to consider:</p> <ul style="list-style-type: none">– proposals to develop a strategic plan for the expansion of the Coca-Cola Zero Belfast Bikes scheme;– proposals to develop an annual marketing and promotions plan;– the process by which future requests for expansion should be managed until such time as a strategic plan is in place; and– the current requests by DSD and Belfast Trust for additional docking stations outside of the core city centre area.
2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ol style="list-style-type: none">1. Agree that a strategic plan for the spatial expansion of the Coca-Cola Zero Belfast Bikes Scheme, supported by an annual marketing and promotional plan, be developed and brought back to Committee before the summer (pararaph 3.5).2. Note that the strategic review and proposed marketing plan will consider future running costs and proposals to increase income, membership, usage and benefits of the scheme.3. Agree that, until such time as a strategic plan is agreed, future proposals by 3rd parties to

	<p>fund expansion of the Scheme be assessed by officers against the noted criteria and brought back to Committee for consideration as required (paragraph 3.9 & 3.10).</p> <p>4. Approve the proposals made by Belfast Trust and agree that officers can engage with Belfast Trust to initiate delivery.</p> <p>5. Approve the proposals by DSD subject to final assessment by officers, approval of the relevant Building Successful Communities Fora and contracts for funding being agreed.</p>
3.0	Main report
3.1	Members will be aware that the capital costs of phase 1 of the Belfast Bikes scheme (300 bikes and 30 docking stations in the core city centre) were met by the DRD and that an additional 2 stations at Queen's University and 1 at Titanic Belfast were subsequently agreed by the SP&R committee in June 2015 and opened in November.
3.2	A six-year contract for operating and maintaining the current scheme was agreed with NSL in April 2015 and there is a related sponsorship agreement with Coca-Cola HBC for phase 1, initially for three years, which covers approximately 23% of the phase 1 operating costs.
	<u>Strategic Plan</u>
3.3	Belfast Bikes has proved extremely popular and the Council has received numerous requests for expansion. There may also be opportunities to work in partnership and secure funding from other bodies if the scheme were to expand beyond its current boundaries. At the SP&R Committee meeting in June 2015 SP&R Members therefore requested that officers explore options for expansion.
3.4	In order for growth to be sustainable it is essential that any decision to expand is made within the strategic context of the scheme and is also closely aligned with our corporate ambitions for the city. As such it is suggested that a strategic plan should be developed; informed by an evaluation of the existing scheme, user demand and experience from other schemes.
3.5	<p>This long-term strategy would consider a number of key areas:</p> <ul style="list-style-type: none"> a. Strategic aims and outcomes of spatial expansion b. Demand and opportunities for expansion - i.e. partnership working, user demand, funding opportunities, alignment with other capital/revenue projects c. Existing cycle infrastructure and DRD Bicycle Strategy d. Benefits and risks e. Resource implications - i.e. financial sustainability, income generation, sponsorship

f. **Procurement approach**

g. **Proposals for phased expansion** - i.e. coverage & timescales

3.6 It is proposed that this work would be undertaken by Council officers, involving consultation with elected members, users, key stakeholders and other local authority scheme operators. A draft report with initial findings would be brought back to Committee in April 2016 with a view to the final strategy being agreed by the summer.

Marketing Plan

3.7 It is also suggested that the current scheme, and any future expansion, would benefit from proactive marketing and promotions and as such it is recommended that Council officers develop an annual marketing and promotions plan to grow membership, increase usage and promote the benefits of the scheme. The need to coordinate and develop procedures for managing the ongoing promotion, marketing and engagement activities in conjunction with the scheme partners (Department of Regional Development, the scheme sponsor Coca-cola HBC and the scheme operator NSL) would also be an important element of this approach.

Future Requests for expansion

3.8 Until such time as a strategic plan is agreed it is suggested that the Council should put in place a process by which proposals from third parties to fund expansion are considered. Committee is therefore asked to endorse the following criteria against which proposals would be assessed by officers before a recommendation is brought to Committee.

3.9 Essential criteria would include:

1. **Supporting Network** - Docking stations should be part of a supporting strategic network with each station between 300 to 500 metres apart.
2. **Sustainable growth** - Docking stations should ideally be located in areas of high footfall that generate activity during the day and evening to ensure that the areas will generate sufficient subscriptions/income and can be operationally managed within the context of the wider scheme.
3. **Resources** - Sufficient levels of capital and revenue resources should be in place.

3.10 Other factors that would inform assessment would include:

- a. **Income** - Expansion of the network should lead to an increase in income in the form of subscriptions and usage charges. Members should note that actual income for the first 6 months of Year 1 is £95,000 (35% of the annual target) and the monthly income (along

with usage) is expected to decline over the winter months. Subsequently, although the membership (subscription) rates are on target, the income from usage charges is low due to a majority of journeys being under 30 minutes and thus free of charge. When considering requests for expansion therefore it should be considered whether new stations are likely to encourage increased membership and associated income.

b. **Sponsorship** - The current sponsorship payment from Coca-Cola HBC is £100,000 per annum over a 3 year contract which covers 23% of Phase 1 costs. The income from sponsorship for Phase 2 is not yet confirmed however and the current contract requires that this is subject to negotiation.

c. **Vandalism** - Elected members should note that the monthly management fee covers vandalism costs up to £1,000 and the Council is liable to cover costs for any vandalism above £1,000 per month. Experience from the Belfast and other schemes indicates that issues of vandalism can arise in areas that do not have regular usage and surveillance.

d. **Current usage** - A review of the current use of Belfast Bikes (rentals / returns) indicates that the east and south sectors of the city experience the highest demand (Odyssey 1,700 rentals per month, Botanic Avenue 1,300 rentals per month). The current level of rentals/returns for stations in the north and west is low in comparison. Smithfield is consistently the least used station in the system with around 150 rentals per month followed by College Square East, Dunbar Link and Carrick Hill and Millfield. Maps are attached in Appendix 2 which illustrates average daily rentals for each station per month.

Current requests for expansion

3.11 Finally, in keeping with the above recommendations the Committee is asked to consider a number of existing requests for expansion.

1. Belfast Trust

3.12 Belfast Health and Social Care Trust has offered a grant of up to £100,000 to cover the capital costs to design and build 3 docking stations at three hospital sites (City, Royal Victoria and Mater Hospitals) and the first year's operating costs. Work is ongoing to identify appropriate site locations, size of stations and costings with the Belfast Trust Estates Department.

3.13	<p>Having considered the proposal it is noted that:</p> <ul style="list-style-type: none"> – The hospital sites (see Appendix 1) are in areas of high footfall with large volumes of staff and students travelling between the sites on a regular basis. Therefore it is anticipated that the additional stations should attract a high number of users and additional subscriptions and generate better levels of income. – Work is ongoing to identify appropriate site locations, size of stations and costings with the Belfast Trust Estates Department and further work is required to confirm whether proposed areas can be carried out as part of a supporting network or if additional stations may be required to link into the existing network. – The Belfast Trust has committed £100,000 capital funding and one year's running costs which means there will be no impact upon 2016/17 financial estimates.
3.14	<p>In light of the above findings it is recommended that the Committee approves this proposal and that highlighted running costs are incorporated in the medium term financial plans going forward. If agreed, officers will undertake to liaise with the Belfast Trust to confirm final sites and initiate delivery.</p>
3.15	<p><u>2. DSD Building Successful Communities programme</u></p> <p>DSD is proposing to fund the capital costs and the first year's maintenance costs of 8 docking stations within three of the Building Successful Communities (BSC) pilot areas (Appendix 1):</p> <ul style="list-style-type: none"> • Lower Shankill & Brown Square – 2 docking stations (contract for funding received and currently being reviewed by officers) • Lower Oldpark – 3 docking stations (subject to Forum approval) • Lower Falls - 3 docking stations (subject to Forum approval)
3.16	<p>Having considered the proposal it is noted that:</p> <ul style="list-style-type: none"> – The Lower Shankill and Lower Falls areas are adjacent to the core city centre Belfast Bikes network and could support the proposed hospital locations. As noted in previous reports the Lower Shankill proposal has been approved by the BSC Forum. The Lower Falls proposal though requires the approval of the BSC Forum for the area. – The proposal to locate 3 docking stations at Lower Oldpark area does not fit with the criteria for phased expansion. Following discussions DSD however has indicated that the docking stations could be located outside the BSC boundary at Lower Oldpark and service the Girdwood development. However further assessment would need to be carried out to ascertain if stations in the adjoining areas would be viable and additionally this proposal would require BSC Forum approval.

3.17	<ul style="list-style-type: none"> - It is not clear what the patterns of use of Belfast Bikes will be in the mainly residential BSC areas. It is anticipated that it may be more commuter based at morning and evening peak times and tidal i.e. will require redistribution of bikes at peak traffic times to ensure availability. This can be difficult to achieve and may affect the performance of the wider network. - DSD has committed to funding the capital costs and one year's running costs for the additional docking stations in Building Successful Communities pilot areas which means there will be no impact upon 2016/17 financial estimates .It is possible that the income generated from these additional docking stations will not cover running costs and as such it will be necessary to assess the impact in terms of the medium term financial planning process. - All proposals would be subject to a satisfactory contract of funding for the delivery of the projects being obtained and agreed between the Council and DSD. <p>In light of the above findings it is recommended that the Committee approves this proposal and that highlighted running costs are incorporated in the medium term financial plans going forward. It should be noted however that final approval would be subject to further assessment of sites by officers, endorsement of BSC Fora and a satisfactory contract of funding being agreed.</p>
4.0	Financial & Resource Implications
4.1	<p>Strategic Plan & Marketing Plan - None at present, this work would be undertaken by staff from the Development Department, Property & Projects Department and Corporate Communications. Any future resource implications associated with recommendations would be highlighted in subsequent reports.</p>
4.2	<p>Belfast Trust & DSD - There will be no impact upon 2016/17 estimates. While it is anticipated that income from the docking stations at the hospital sites should cover costs those funded by DSD will have to be considered as part of the medium term financial planning process.</p>

5.0	Equality or Good Relations Implications
5.1	None.
6.0	Appendices
6.1	Appendix 1 - Proposed docking stations locations at hospital sites and DSD BSC pilot areas Appendix 2 - Average Daily Rental Statistics April to November 2015