

WANDSWORTH BOROUGH COUNCIL

COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE – 20TH
FEBRUARY 2018

EXECUTIVE – 26TH FEBRUARY 2018

Report by the Director of Environment and Community Services on Dockless
Bikeshare

SUMMARY

Dockless bikeshare has the potential to deliver access to bicycles at low cost for many residents. This paper provides an outline of how these projects are run, the potential benefits to the Council and its residents, areas of concern and how those concerns might be addressed. The Council has been approached by several companies that would like to operate dockless bikeshare as a commercial enterprise in the boroughs requiring no direct funding from the councils. This paper recommends a pilot scheme in the Borough in order to further evaluate the potential of this innovative scheme.

The Director of Resources comments that there are no direct financial implications arising from this report but that the impact of any implementation of dockless bikes would need to be monitored to ensure that there is not an unintended draw on existing Council services.

GLOSSARY

TfL Transport for London
TLRN Transport for London Road Network

RECOMMENDATIONS

1. The Community Services Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 3.
2. If the OSC approve any views, comments or recommendations on the report, these will be submitted to the Executive and/or appropriate regulatory or other committees for their consideration.

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3. The Executive is recommended to instruct the Director of Environment and Community Services to select an operator to deliver a 12 month pilot bikeshare scheme as outlined in Paragraphs 24 to 27 of this report.

INTRODUCTION

4. Transport for London (TfL) currently operates the Santander cycle hire scheme in the northern part of the Borough. This is based on docking stations being located across the operational area and a bike is taken from one docking station and returned to the same or another docking station to terminate the hire. Developments in technology mean that functions that are fulfilled by the docking station (such as locking and payment) in the Santander London cycle hire scheme can now be built into the bikes. This has resulted in the development of more cost-effective docking stations as well as bikeshare schemes that require no docking station at all (often referred to as 'dockless'). Users register on an app and use this to locate the closest bike, to release the bike using a given code and to pay for the hire. The bikes can be left and re-locked, ending the hire period, anywhere in the area of operation. Operators can implement schemes with a range of variants on this basic freedom, including incentives for leaving bikes in designated areas, geo-fencing specified prohibited areas and virtual or actual docking stations.
5. The Council has been approached by 6 companies keen to operate bikeshare schemes. Appendix 1 is a summary of the services being proposed. The new technology has given rise to a business model that allows the bikeshare schemes to operate at low cost to users and at no cost to local authorities (unlike the Santander Cycles London scheme). It is predicated on high numbers of bikes and high usage per bike and in some cases may generate additional income through advertising (on the app or on the bikes) or through data sale.
6. If bikeshare schemes are managed well, they are likely to be a valuable addition to cycling infrastructure in the Borough. They have the potential to address some key barriers to cycling, such as cycle ownership, maintenance, residential cycle storage and cycle theft. However, there may be tensions between an operator's desire to maximise revenue and the Council's desire for the operator to provide a meaningful transport service. Redistribution of bikes is a key part in the management of any bikeshare scheme.

EXISTING OPERATORS

7. Some operators have already launched pilots in other London boroughs and their progress will be closely observed: Mobikes are operating in Ealing, Ofo in Hackney and Islington and Urbo in Waltham Forest. Obikes

began operating in some London boroughs including Wandsworth, without prior consultation, and their bikes have since been withdrawn. The operators that we have spoken to have indicated they would not establish in a borough without Council support. Obikes has subsequently acknowledged that their original approach was misguided and has developed its approach to co-operation with local authorities. Beyond London, Oxford has dockless bikeshare schemes being run by four different companies.

8. Operators are keen to expand rapidly as their business model depends on growth and they each wish to be first.

ISSUES

9. The schemes have the potential to give rise to a number of concerns, which are outlined below:-
 - (a) given that the bikes do not have to be returned to a docking station, there is a risk they would be left in a way that causes obstruction to pedestrians and other road users;
 - (b) bikes may cluster at existing cycle parking or docking stations, inconveniencing existing cyclists;
 - (c) if the bikes are not well maintained they could endanger users (and other road users);
 - (d) the bikes could become abandoned, causing more obstruction and potentially fly-tipping;
 - (e) bikes may migrate to high use areas (e.g. around train stations), leaving other areas un-served;
 - (f) given the scale and number of the operators, there may be far more bikes in circulation than can reasonably be used, adding to the nuisance levels;
 - (g) a large number of operators could result in a fragmented scheme, requiring users to register on multiple apps in order to find bikes in convenient locations;
 - (h) different boroughs could endorse different operators, or operators could avoid each other, again resulting in a fragmented scheme;
 - (i) whether or not the Council actively supports a bikeshare scheme in the Borough, bikes may cross into the Borough from other schemes if operators establish their services in neighbouring boroughs. The Council will need to be able to deal with any operator whose bikes could give rise to nuisance or obstruction;
 - (j) if the scheme operating areas have hard borders, users will be unable to make cross-boundary journeys, making the scheme less useful;
 - (k) inconsiderate use and parking of dockless bikes may increase resistance to other measures to facilitate cycling; and

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- (l) being cheaper than Santander Cycles, dockless bikes may undermine the business model for the established scheme.

CONTRIBUTION TO COUNCIL POLICIES AND TARGETS

- 10. The introduction of dockless bikeshare would support the objectives of the Council's Cycling Strategy as well as the Local Implementation Plan target to increase the cycling mode share to 7% of all trips by 2026. The Council's Air Quality Action Plan also includes increasing levels of cycling among the measures designed to improve air quality. The Joint Health and Wellbeing Strategy recognises the importance of walking and cycling for healthy lifestyles.

MANAGING OPERATIONS

- 11. Establishing clear standards that are expected of any bikeshare companies in order to address the concerns outlined above is a high priority.
- 12. TfL's Walking and Cycling Commissioner has established an officer group in order to develop a co-ordinated response from TfL and the boroughs. A member of the Council's Transport Strategy team is participating in this group.
- 13. The group has developed a code of practice for companies wishing to operate in London. The code of practice is available at <https://tfl.gov.uk/corporate/publications-and-reports/dockless-bike-share-code-of-practice> and is attached at Appendix 2.
- 14. The code of practice addresses issues such as:-
 - (a) compliance with legislation;
 - (b) safety standards applying to the bicycles;
 - (c) arrangements for maintenance;
 - (d) redistribution of bicycles and removal of any bikes causing an obstruction;
 - (e) appropriate arrangements with users; and
 - (f) a commitment to cease operations and remove all bicycles when instructed by the relevant highway authority.
- 15. Pilot schemes in designated areas are seen as a way to test the level of resident take up and to ensure that concerns can be addressed satisfactorily. If the pilot schemes are successful, the operators hope to provide dockless bikeshare across London.

16. To date, the structure for permitting the operation of dockless bikeshare has been by Code of Practice and Memorandum of Understanding. These documents set the standards that would be required of an operator and the operating system that the company proposes to follow, thereby addressing many of the issues raised in paragraph 9. However, they are not legally enforceable.
17. In addition to TfL's code of practice, there is an accreditation scheme for bikeshare providers which is run by Bikeplus, a not for profit environmental transport non-governmental organisation. More information about the accreditation scheme can be found at <https://www.carplusbikeplus.org.uk/about/car-club-bike-share-accreditation/> and a copy of the accreditation criteria is attached at Appendix 3.

FEEDBACK FROM PILOTS

18. Pilot schemes in London have so far deployed relatively low numbers of bikes and have involved single operators within designated boroughs. Boroughs have reported few, if any, complaints from residents. Issues that have arisen include:-
 - (a) bikes being stolen;
 - (b) vandalism, such as bike locks being broken to allow use free of charge;
 - (c) maintenance/durability issues, such as broken mudguards; and
 - (d) accuracy of GPS to enable people to locate the nearest bike and to enable operators to recover bikes left outside the operating area.
19. Operators have been clear that they are dedicating high levels of staff to the pilots in order to establish good practice and address any teething problems. Staffing is likely to be reduced in the longer term. Whilst service levels would be set out in a Memorandum of Understanding, they would not be legally enforceable.
20. The pilots to date are deploying low numbers of bikes. Operators intend to have higher numbers of bikes in the longer term. Studies relating to bikeshare schemes with docking stations recommend planning for 10-30 bikes per 1,000 residents. This would amount to 3,000 – 9,000 bikes in the Borough of Wandsworth. (As at October 2017, there are 1,751 docking points for Santander Cycles in the Borough).
21. The TfL and borough officer group has highlighted the need for a co-ordinated approach among the boroughs and Transport for London. For the scheme to be effective and to support the objectives of the boroughs' Cycling Strategies, cyclists need to be free to make journeys across a

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reasonable operating distance and not be limited by borough boundaries. Conversely, the potential difficulties will not be contained within borough boundaries. Officers will continue to liaise with neighbouring boroughs.

POTENTIAL APPROACHES

22. The Department of Transport and the Department for Communities and Local Government are currently considering whether local authorities can use Section 235 of the Local Government Act 1972 to create a specific byelaw to prevent nuisance caused by dockless bikeshare. Officers will ensure that they keep informed of any developments relating to potential regulation of bikeshare schemes.
23. A range of approaches are available to the Council and each has associated risks and advantages. By way of illustration, 4 possible approaches are outlined below.

(i) **Low Council Intervention, Low Control:**

- Allow any operators agreeing to TfL's Code of Practice and/or Bikeplus accreditation and entering a Memorandum Of Understanding to operate in the Borough
- Allow bikes from neighbouring boroughs to be used in our Borough and allow bikes from our Borough to be taken to neighbouring boroughs (subject to the agreement of those boroughs).

Council intervention only when bikes cause obstruction

This also provides users with the greatest freedom to use different operators and to park bikes anywhere.

Risk:

- operators race to get the most bikes out as quickly as possible, resulting in oversupply
- multiple operators entails users registering on several apps in order to maximise their use of the service
- operators focus on highest income generating areas (town centres and transport hubs) leaving outlying areas unserved
- additional demands on Council services to deal with issues of nuisance and obstruction.

(ii) Higher Council Involvement, Higher Control (1):

- Council selects one or two operators based on selection criteria and with Memorandum of Understanding setting out matters such as maximum numbers of bikes, phased increases, and service levels.

Risk:

- selection criteria are likely to be based on commitments set out in Memorandum of Understanding but such a document is not legally enforceable
- if an operator fails to meet the service requirements (eg. to ensure no obstructions) then a term of the Memo of Understanding that the operator shall withdraw may not be legally enforceable
- if the selection process is not transparent, it could weaken the Council's case against other operators bringing their bikes into the Borough.

Comment:

For the Council to monitor the number of bikes in the Borough and in target locations, we will need verifiable data from all operators with a presence in the Borough.

(iii) Higher Council Involvement, Higher Control (2):

- Council identifies locations or for docking stations/virtual docks/preferred parking locations
- Council invites companies to apply for permission to use these spaces and enters into a legally enforceable agreement (subject to legal advice) with operators specifying a range of service levels.

Challenge:

- If more than one endorsed operator, there may need to be a proportionate allocation of the designated spaces
- Finding space for sufficient docking stations.

(iv) Observe existing pilots further:

A further option would be to observe further development of the current pilot schemes and in particular whether:

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- When high numbers of bikes are deployed, users continue to park responsibly without the need for docking stations or virtual docking stations
- Operators maintain high standards of service provision beyond the initial period
- Improved management of the scheme can be achieved through the use of the Local Government Act 1972.

Risk:

- If neighbouring boroughs host bikeshare schemes, the bikes will migrate into the Borough
- Residents are denied the opportunity to use a convenient complement to existing transport services.

PILOT

24. It is proposed that a pilot scheme with a single operator could be introduced.
25. Selection of a preferred operator will be based on the quality of the bikes and the level of customer service and management of the scheme, and the contribution that the operator can make to advancing the Council's cycling credentials. Any operator will be required to comply with the Code of Practice referred to above and will be required to cover any costs associated with the pilot.
26. Subject to Executive approval to proceed, the details of the pilot will be considered further with the chosen operator and will be set out in a Memorandum of Understanding. It is proposed that it should:-
 - (a) be for a period of 12 months, subject to earlier termination by the Council;
 - (b) have an initial focus area, where the bikes will be initially distributed whilst permitting users to cycle to destinations anywhere in the Borough (and beyond, subject to agreement with neighbouring boroughs);
 - (c) provide for an agreed number of bikes, to be increased incrementally; and
 - (d) designate preferred parking areas in busier locations whilst allowing responsible ad hoc parking on the pavement elsewhere.
 - (e) allow for an additional operator to be introduced to the Borough in the course of the trial period.

27. Subject to selection of the preferred operator and agreement of an appropriate Memorandum of Understanding, it is proposed that a pilot bikeshare scheme could be launched in late Spring 2018.

CONSULTATION

28. As part of the process of developing a pilot, the operator will be required (in accordance with the Code of Practice) to consult with stakeholders such as The Royal Parks, Network Rail and the Mobility Forum.

COMMENTS OF THE DIRECTOR OF PUBLIC HEALTH

29. The Director of Public Health comments that the introduction of dockless cycle hire would support the objectives of the Joint Health and Wellbeing Strategy and the Council's Prevention Framework both of which recognise the importance of creating a place where healthy choices, such as cycling and walking are the easier choice.
30. There is the added co-benefit of improving air quality if we are enabling more journeys, and in particular shorter journeys, to switch to cycling and/or walking. The Council's Air Quality Action Plan recognises the importance of increasing levels of cycling as a key measure to improve air quality.
31. A number of wards within the Borough do not currently benefit from the Santander cycle hire scheme (previously known as the Mayor's Scheme) so the operation of dockless cycle hire would support the development of place based public health interventions in the Borough. It is important that the Council obtains agreement from the appointed provider to be able to access or obtain data about users (gender, age, trip distance etc.) so we are able to evaluate how effective the system is in delivering desired outcomes. As pointed out in the issues section of the paper, careful consideration needs to be given around docking bays to avoid hired cycles becoming obstacle hazards and contributing towards trips and falls. We would encourage the Transport Planners to involve Public Health in the development of the pilot schemes.

COMMENTS OF THE DIRECTOR OF RESOURCES

32. The Director of Resources comments that there are no direct financial implications arising from this report but that the impact of any implementation of dockless bikes would need to be monitored to ensure that there is not an unintended draw on existing Council services.
33. Whilst supporting the target to increase the number of cycle journeys, should the business model for dockless bike hire be proven and

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established, there is the potential for a form of charge to the operators of the bike hire scheme, particularly if Council costs increase as a result of their implementation.

CONCLUSION

34. Bikeshare has potential to open up cycling for more people and more journeys in and through the Borough, as envisaged under the Council's Cycling Strategy (Paper No. 15-457). Dockless bikeshare is a commercial enterprise and an opportunity to facilitate cycling at no direct cost to the Council.

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PAUL CHADWICK
Director of Environment and Community Services

12th February 2018

Background papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Antoinette Duhaney, 020 8871 6488; email antoinette.duhaney@richmondandwandsworth.gov.uk) can supply it if required.