



WMCA Board

Date	25 May 2018
Report title	West Midlands Bike Share Scheme
Portfolio Lead	Councillor Roger Lawrence – Transport
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Report to be/has been considered by	WMCA Programme Board - 11 May 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Note that Nextbike UK Ltd have been awarded as the preferred supplier for the West Midlands Bike Share Scheme following the procurement exercise.
- (2) Note that the contract will be signed following the WMCA Board approval.
- (3) Note the mobilisation of the West Midlands Bike Share Scheme.

1.0 Purpose

1.1 To update the WMCA Board on the progression of the West Midlands Bike Share Scheme.

1.2 To update the WMCA Board on the next stages of delivery.

2.0 Background

2.1 The West Midlands Cycling Charter was adopted in September 2015 to outline key principles among partners to deliver a required step change in cycling across the West Midlands.

2.2 A detailed Action Plan was outlined in September 2015 and is currently being delivered with the target of increasing levels of cycling to 5% of all trips by 2023.

2.3 The Cycling Charter is based on the following four principles:

- Leadership and Profile
- Cycling Network
- Promoting and Encouraging Cycling
- Funding

2.4 From the core principles of the Cycle Charter an action was to investigate a bikeshare system for the West Midlands. This is also a priority action within the West Midlands' Physical Activity Strategic Framework, '*West Midlands on the Move*'.

2.5 Since 2016, Local Authority partners and TfWM have been investigating the potential for bikeshare within the region.

3.0 Impact on the Delivery of WMCA Strategic Plans

3.1 *Movement for Growth's (MfG) (Metropolitan and Local Tiers)* – the key MfG policy relating to this Scheme is the development of a strategic cycle network which will be progressively integrated with the local cycle network. The ten year delivery plan also commits to several cycle schemes which will showcase and support a new West Midlands Strategic and Local Cycle Network Programme. This is in line with the Mayor's commitment to spend £10 per head on cycling. Moreover, a secure and safe strategic network will enable greater take-up of a bikeshare scheme as well as overall increase cycling participation levels.

3.2 MfG policies that are supported include:

- Policy 1 – To accommodate increased travel demand by existing transport capacity and new sustainable transport capacity.
- Policy 3 – To maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods.
- Policy 4 – To improve connections to new economic development locations to help them flourish, primarily through sustainable transport connections.
- Policy 6 – To improve connections to areas of deprivation.
- Policy 8 – To improve connections to new housing development locations to help them flourish, primarily through sustainable transport connections.
- Policy 10 – To help tackle climate change by ensuring a large decrease in greenhouse gases from the West Midlands Metropolitan Area's transport system.
- Policy 11 – To significantly increase the amount of active travel in the West Midlands Metropolitan Areas.

- Policy 12 – To significantly reduce road traffic casualty numbers and severity.
- Policy 13 – To assist with the reduction of health inequalities in the West Midlands Metropolitan Area.
- Policy 14 – To increase the accessibility of shops, services and other desired destinations for socially excluded people.

3.3 *WMCA's Health and Transport Strategy* is a key document to demonstrate the important relationships between health, wellbeing, and wealth and highlights that the way people travel plays an important part in both their physical and mental health. The establishment of a Bike Share Scheme will contribute to greater levels of physical activity during travel, which in turn will help reduce obesity and risk of associated conditions - saving £17 billion in NHS costs over 20 years.

3.4 *West Midland's On the Move Strategic Framework* recognises the importance of walking and cycling to encouraging more people to adopt an active lifestyle, reducing the west midlands chronic levels of physical inactivity and in turn improving both physical and mental wellbeing, whether by cycling for leisure or to work. Public Health England predicts that getting 1 more person to cycle to work rather than go by car could generate between £539-£641 public health saving long term.

3.5 Besides health implications, the West Midlands area suffers from significant air quality problems. Public Health England figures suggest approximately 1,500 adult deaths each year are attributable to poor air quality in the West Midlands. Introducing policies such as Clean Air Zones (CAZ) will improve air quality and contribute significantly to our Health and Transport policies. Encouraging active travel, in this case through bikeshare schemes, will form a key element of our overall approach to improving air quality and the health of our residents, as well as reduce the number of motorised vehicles on the road.

4.0 Wider WMCA Implications

4.1 Transport for West Midlands (TfWM) and the Constituent Local Authorities will work collaboratively to strengthen cross-border relationships and align cycling and walking schemes to ensure consistency in access and quality.

4.2 Several members of the West Midlands Cycling Charter Group have remits that cover the wider WMCA 3 LEP geography.

5.0 Progress of West Midlands Bike Share Scheme

5.1 WMCA undertook a procurement process which commenced on 29 November 2017 for a concessionaire to operate a Bike Share Scheme across the West Midlands pursuant to Regulation 19 of the Concession Contracts Regulations 2016 ("**CCR 2016**"). The scheme was procured on a zero cost basis with no funding required by WMCA or the constituent Local Authorities. The scheme will initially operate over the 7 constituent Local Authority areas. There is opportunity for expansion across the non-constituent local authorities in the future.

5.2 Following assessment of the tenders by the evaluation panel the successful operator, Nextbike UK Ltd, was informed on 21 February 2018, followed by a Standstill Period and a confirmation of award on 6 March 2018. During March 2018, a joint press release was issued, which gained significant regional and national coverage.

- 5.3 Nextbike UK Ltd is part of the world's most extensive bikeshare operator, operating 125 schemes globally, including in the UK, schemes in Milton Keynes, Cardiff, Bath and Glasgow.
- 5.4 Nextbike UK Ltd will provide 5000 smart (non-electric) cycles within the West Midlands. The Concession Contract with Nextbike UK Ltd is for an initial term of five years with a possible three year extension exercisable at WMCA's discretion. Nextbike UK Ltd will provide the infrastructure and a high quality maintenance regime for cycles and docking stations over the contract period.
- 5.5 The infrastructure is comprised of docking stations, which require no electricity inputs, an instructions pole and smart cycles (termed smart as the technology is on the cycle). The smart cycles are the latest generation of Nextbike UK Ltd cycles, which have been adapted to the West Midland's topography by including 8 gears. Advantageously, the docking stations can be easily relocated for large scale events, such as the Commonwealth Games.
- 5.6 The scheme will have a headline sponsor appointed. This is currently being negotiated by Nextbike UK Ltd. Any sponsorship deal reached will adhere to the WMCA's Sponsorship Protocol.
- 5.7 The sponsor will determine the colour palette and branding of the cycle, but TfWM's new cycle branding will also be incorporated to give a local feel to the cycles.
- 5.8 The scheme is forecast to be implemented between summer 2018 and spring 2019, with a soft launch in summer 2018 at the University of Birmingham. It is forecasted the launch of phase 1 will then commence in September 2018, with the roll out of cycles across the three cities of Coventry, Wolverhampton and Birmingham. The phasing will be subject to relevant approvals. Table 1 shows a proposed phasing plan, including the estimated number of cycles (subject to change due to demand).

Table 1: Phasing Forecast

Local Authority	Phase (s)	Estimated total Units (cycles)
University of Birmingham (soft launch)	Phase 1	100
Birmingham City Council	Phase 2 and expansion in phase 3.	1900
Coventry City Council	Phase 2 and expansion in phase 3	900
City of Wolverhampton Council	Phase 2 and expansion in phase 3	900
Sandwell Metropolitan Borough Council	Phase 3	300
Dudley Metropolitan Borough Council	Phase 3	300
Walsall Metropolitan Borough Council	Phase 3	300
Solihull Metropolitan Borough Council	Phase 3	300
WM Total Units		5000

- 5.9 Nextbike UK Ltd with TfWM will progress Swift integration in 2018, enabling Swift customers to access the cycles using their Swift card. Nextbike UK LTD is already active with Mobility as a Service through MaaS Global, which is now live in the West Midlands.
- 5.10 Alongside Swift, there will also be a range of ways customers can access the scheme, including the provision of a mobile application, online website and via a customer contact centre.
- 5.11 Nextbike UK Ltd have proposed a tariff structure which offers value for money, including concessions for students and disadvantaged groups. The tariffs enable an affordable and flexible service for users, for daily usage and less frequent usage. These are shown in Table 2 below.

Table 2: Membership Levels and Costs

Type of Membership	Cost
Annual Pass including free 30 minute journeys.	£30 per annum. First 30 minutes of every journey is free, with a charge of 25p per 30 minutes thereafter*.
Concession (i.e. students, unemployed) Annual Pass including free 30 minute journeys.	£20 per annum for students. First 30 minutes of every journey is free, with a charge of 25p per 30 minutes thereafter*.
Pay as you go	No deposit required. The cost is 50p per 30 minutes with the first ten minutes of a trip on that day free of charge (year 1 of the scheme will offer the free ten minutes).*

**There is a maximum daily charging cap of £5.*

- 5.12 Nextbike UK Ltd will provide a number of other incentives and support packages, including supporting unemployed customers and corporate membership packages.
- 5.13 Nextbike UK Ltd will deliver 50 new jobs to the region, providing local job opportunities. They will also be working with the local organisation Steps To Work to provide unemployed individuals with training and job opportunities with Nextbike UK Ltd. They also intend to further support the local economy by using local PR and marketing companies to promote bikeshare and deliver campaigns.
- 5.14 There will also be opportunities to add further value to the scheme, through social and technological innovations, such as air quality monitoring, cycles for a variety of user's needs and electric cycles, subject to external funding.

6.0 The Next Stages in Delivery

6.1 The key milestones for delivery are set out in Table 3 below.

Table 3: Delivery Milestones

	Date
Mobilisation of scheme	April 2018 to March 2019
Contract Completion	Following the WMCA board approval
Phase 1: Soft Launch at The University of Birmingham	Summer 2018
Roll out of phase 2	September 2018 onwards
Roll out of phase 3	Autumn 2018 to spring 2019
Swift Integration	2018

7.0 Financial Implications

7.1 The stated objective of the West Midlands Bike Share Scheme is to make this zero cost operationally to the WMCA and local authorities. Nextbike UK Ltd has satisfied this objective and has provided a business plan establishing the scheme at zero cost to the WMCA or local authorities, including the income forecasted from a headline sponsor. In reality there are minor set up costs, as well as Management and Supervision costs over the life of the contract.

8.0 Legal implications

8.1 WMCA Legal Services supports the appointment of Nextbike UK Ltd. External legal support, DWF in conjunction with the in-house legal officer have prepared the Concession Contract under the Concession Contracts Regulations 2016 (CCR). Assistance will be provided by DWF and the in-house legal officer in order to finalise the contract (contractualising the bid) to allow the contract to be formally entered into with Nextbike UK Ltd.

9.0 Equalities implications

9.1 WMCA Equalities Officer supports the appointment of Nextbike UK Ltd following satisfactory completion of the equalities questionnaire. Nextbike UK Ltd showed a strong emphasis on social values and equality and deliver equality awareness training to their employees. Their projects and schemes have strong equality emphasis and one of their main aims is to improve accessibility, social inclusion and encourage under-represented groups such as women, disabled people and people from lower socioeconomic backgrounds.

10.0 Other implications

10.1 Increasing cycling and walking helps improve public health, air quality, reduce carbon emissions and reduces overall noise pollution.

11.0 Schedule of Background Papers

- 11.1 West Midlands Cycling Charter
- 11.2 West Midlands Cycling Charter Action Plan

Glossary

Word / Acronym	Explanation
MfG	Movement for Growth
STOG	Strategic Transport Officers Group
TfWM	Transport for West Midlands
WMCA	West Midlands Combined Authority