

Report to:	Environment and Neighbourhood Committee	Date:	7 March 2019
Report title:	Electric Bikes Options		
Report from:	David Moore, Interim Strategic Director of Environment, Housing and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Manuel Abellan		
Author(s)/Contact Number(s):	Ian Baker, Lead Officer - Sustainable Transport, 020 8547 5071		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • Being Active 		
Open/Exempt:	Open		
Signed:		Date:	19 February 2019

1. Summary

- 1.1 Sutton has an aspiration to deliver a borough-wide electric bike (“e-bike”) scheme. This paper aims to detail and select options to deliver on this commitment whilst identifying how it fits within current strategy and funding sources.

2. Recommendations

The Environment and Neighbourhood Committee is recommended to:

- 2.1 Agree options 2, 3, 4, 7 and 8 to encourage public e-bike use and ownership within existing budgets.
- 2.2 Note that e-bike demand will be monitored to inform future work and funding bids for projects, including, but not limited to, grants to subsidise e-bikes rental/purchase and a docked e-bike scheme.
- 2.3 Agree to report back on the outcome of these actions to the Environment and Neighbourhood Committee after one year.

3. Background

- 3.1 The Sutton Cycling Strategy 2016 aims to make cycling a natural choice for people of all ages, backgrounds, and ethnicities for more of their trips in the borough.
- 3.2 Two strategy objectives which relate to the assessment in this report in particular are:
- Encourage a shift from the car to cycling for shorter journeys, and
 - Create a cycling culture by promoting cycling to a wider range of people.
- 3.3 Encouraging the use of e-bikes would help the Council deliver against these two objectives by removing some of the barriers to cycling, as well as helping to deliver healthier, more active lifestyles for residents.

4. Issues

- 4.1 E-bikes allow people who feel that they are not fit enough to cycle to overcome that barrier as they provide assistance for longer trips or trips with steeper gradients, which suits parts of Sutton's topography. They also reduce the level of effort required, increasing convenience by decreasing the need to change clothing on arrival.
- 4.2 The target market and trip purposes for an e-bike share scheme are as follows:
- Workplaces:
- Deliveries to clients (in particular last-mile trips)
 - Business trips
- Households:
- Shopping trips
 - Personal business trips
 - School and nursery trips (dropping and collecting children)
- 4.3 We have work to do to educate people about the advantages of ebikes, where to find them and why they would choose them instead of cars
- 4.4 Issues for the council in supporting e-bikes include a current shortage of funds and likely future restrictions on council spending, so the cost of the available options to the council has been a key criterion in assessing them (see Appendix A).
- 4.5 Data showing levels of demand for e-bikes in Sutton is not yet available. Such data will be an important input into any future bid for funding for more costly e-bike schemes, including the option to provide grants to local bike shops to organise discounted e-bike hire and purchase on the council's behalf. We will seek this in collaboration with Brompton who are now running the new foldable cycle dock in Sutton Town Centre. We have received data from the London Borough of Brent showing an encouraging uptake of electric "Lime" dockless bikes in the first

month of operation of their scheme, with 3,000 hours ridden by over 1,300 users. We will continue to monitor this uptake and engage with dockless e-bike operators including Lime, Jump and Zoov on how they might work best in Sutton.

- 4.6 Theft of e-bikes is a potential concern due to the relatively high value of e-bikes in comparison to push bikes, as is vandalism, which has been an issue with some dockless bike schemes. Bike theft is relatively low in Sutton compared to the national average (63% of national average) with Sutton Town Centre seeing the highest number of thefts in the borough.
- 4.7 Feedback from the London Borough of Brent is that neither theft nor vandalism have been a major issue so far for them as their dockless e-bikes provider (Lime) routinely geofences its bikes (securely and at its own expense) so that hires cannot end or begin outside designated areas and, where necessary, collection and redistribution by Lime to agreed hire points happens overnight. Officers would work with the operator to try to ensure where possible that nightly redistribution is performed with as little noise and air pollution as possible.
- 4.8 Since initial trials in 2017, dockless bike operators in the UK have improved their performance in regard to littering and abandonment through measures including geofencing and improved agreements and communication with users. TfL are working with boroughs, including Sutton, to improve this performance further in London, by developing a byelaw which will give local authorities more power to control dockless bike operators, including dockless e-bike operators.

5. Options Considered

- 5.1 There are a number of implementation options which fall into two broad categories:
- Encouraging e-bike share
 - Encouraging e-bike ownership
- 5.2 The preferred approach includes a set of actions to provide a comprehensive e-bike offering for residents and businesses in the borough.

Encouraging e-bike share

- 5.3 The aim of the options in this category is to encourage the uptake and use of various e-bike share initiatives. Users would have access to rent e-bikes, but would not own the bikes.
- 5.4 The options considered in this category are:
- Docked e-bike share scheme
 - Deliver e-bike share / cargo bike share through the car club contract
 - Deliver e-bike share through Brompton Dock

- Deliver e-bike share through dockless bike operators
- E-bike loan scheme for businesses and/or households.

Encouraging e-bike ownership

- 5.5 The aim of the options in this category is to encourage the ownership of e-bikes. By reducing the barriers to purchasing an e-bike, either through free trials or reducing the upfront cost, e-bikes become more accessible to would-be owners.
- 5.6 The options considered in this category are:
- Provide an e-bike grant to local shops to allow users to rent and buy
 - Encouraging e-bike ownership through the Cycle to Work scheme.
- 5.7 Officers have set out the assessment criteria and assessed the above options in Appendix A. Below is a summary of the outcome with scores ranked from highest to lowest. The options highlighted in grey are the highest scoring options which are recommended for taking forward.
- 5.8 Summary of assessment:

Option	Score
Option 8 - Act as advisor to residents and organisations, helping with grant applications where necessary.	15/15
Option 6 - Provide an e-bike grant to local shops to allow users to rent and buy. (Requires a funding bid which will be helped by collecting demand data.)	14/15
Option 7 - Encouraging ownership through the Cycle to Work scheme	14/15
Option 2 - Seek to deliver e-bikes through a new car club contract	13/15
Option 4 - Seek to deliver e-bikes through dockless bike operators	13/15
Option 3 - Seek to deliver e-bikes through Brompton Dock	12/15
Option 1 - Docked e-bike share scheme	11/15
Option 5 - E-bike loan scheme for businesses and/or households	11/15
Option 10 - Supporting an e-bike courier service	10/15
Option 9 - Developing and/or supporting an e-bike courier service	8/15

5.9 Recommended approach and next steps:

Option	Next steps / rationale
<p>Option 8 - Act as liaison and advisor to residents and organisations, helping with grant applications where necessary</p>	<p>The UK government is likely to provide grants for e-cargo bikes. No details are available as yet but officers will remain vigilant on this. Jesse Norman MP, Parliamentary Under Secretary of State for Transport, supports providing grants to the public for ebikes and an official announcement is awaited.</p> <p>The London Borough of Sutton could best act as liaison and advisor, helping with grant applications where necessary.</p>
<p>Option 6 - Provide an e-bike grant to local shops to allow users to rent and buy</p>	<p>Work with suppliers to develop a scheme where e-bike and cargo bike loans are handled by local bike shops. The Council could provide a grant from our agreed Local Implementation Plan (LIP) allocation from Transport for London (TfL) to cover the lease of the e-bikes.</p> <p>It is proposed to have at least one e-bike and one e-cargo bike available at each participating local shop. The shops would then have to report the number of loans to the Council.</p> <p>This is the most costly of the recommended options and could not be funded out of current LIP budgets. A growth bid or other funding would be required. In the absence of e-bikes demand data at this stage, the recommendation is to monitor demand and defer any potential growth bid.</p> <p>Note however that the Council is proposing to submit a Liveable Neighbourhoods bid to TfL in November 2019. Among other elements, the bid will consider the suitability and benefit of developing an e-bike network amongst a number of initiatives to boost modal shift away from vehicular travel.</p>
<p>Option 7 - Encouraging ownership through the Cycle to Work scheme</p>	<p>The Council can work with local employers to encourage e-bikes to be embedded in the Cycle to Work scheme.</p>
<p>Option 2 - Seek, through retendering, to deliver electric bikes and/or e-cargo</p>	<p>The Council should pursue the inclusion of e-bikes and e-cargo bikes into the specification of</p>

<p>bikes through Sutton’s car club contract(s)</p>	<p>the next car club contract(s).</p>
<p>Option 4 - Seek to deliver e-bikes through one or more dockless bike operators</p>	<p>The Council should pursue the inclusion of electric bikes and e-cargo bikes into a Memorandum of Understanding or licensing of any dockless bike operators upon agreement to allow them to operate in the borough. Global dockless e-bike operator Lime went live with operations in Ealing and Brent on 7 December 2018 and we intend to learn lessons from the experience of those boroughs. We would seek to apply geofencing so that bikes are located reliably at key sites (such as rail stations) as transport integration is key to a successful scheme.</p>
<p>Option 3 - Seek to deliver e-bikes through Sutton Town Centre’s Brompton Dock</p>	<p>The council should pursue the switching of some of Brompton’s docked bikes in Sutton Town Centre to e-bikes on the agreement that Brompton retain the income. Some LIP funding could be used and officers would check with internal partners within the London Borough of Sutton to help match fund - specifically Air Quality, Opportunity Sutton and Public Health.</p> <p>Some funding for this will be available next year as the LIP Travel Awareness and Business Engagement budget will be freed up as the London Borough of Sutton’s Dr Bike programme reduces, due to the Police bike marking team not being able to attend further events from late 2018 onwards. This will make around £4-5k available to put into e-bikes.</p>

6. Impacts and Implications

Financial

- 6.1 Option 8 (Resident advisor and organisation liaison, helping with potential grant applications) would be cost free other than staff time which can be paid for from LIP budgets.
- 6.2 Option 6 (Provide an electric bike grant to local shops to allow users to rent and buy) would cost between £30k and £66k and would be funded through a council capital growth bid, if submitted, and if successful.
- 6.3 Option 7 (Encouraging ownership through Cycle to Work) would be cost free to the council.

- 6.4 Option 2 (Deliver electric bikes / cargo bikes through the car club contract) would be cost free to the council as it would be specified as an optional provision by a car club operator which could form a key criterion for a successful tender for a car club contract.
- 6.5 Option 4 (Deliver electric bikes through dockless bike operators) would be cost free to the council and could achieve a level of income depending on the price charged for licenses for dockless bike companies. Income would likely be retained by Regulatory Services which would be responsible for the licensing. There is no indication of the level of income this would generate as yet as the pan-London dockless bike-share bye-law is still a work in progress by TfL.
- 6.6 Depending on the outcome of our contact with Brompton, Option 3 (Seek to deliver electric bikes through Brompton Dock) would be free to the council or could be paid for from LIP with, possibly, match funding from Air Quality, Opportunity Sutton or Public Health (agreement is yet to be sought for this and any cap on the amount they would match fund is as yet unknown).

Legal

- 6.7 Option 8 - (Resident advisor and organisation liaison, helping with potential grant applications): assistance given to the general public is permissible. If the Council uses its own officers to provide such assistance, then there are no legal implications. If on the other hand, the Council uses a consultant or other third party provider to provide such assistance, then the Council will need to follow its Contract Standing Orders to procure the Consultant or other third party as the case maybe. Any assistance whether in cash or kind given to local businesses will need to be examined under State Aid Rules. Further legal advice will be given upon instructions from the Council.
- 6.8 Option 6 - (Provide an electric bike grant to local shops to allow users to rent and buy): The Council must consider the implications of State Aid. If State Aid is deemed to apply, it is likely that the aid given (per local shop) will qualify as permissible aid under the De minimis Regulation. Further legal advice will be provided upon instructions from the Council. The Council must ensure that any arrangement entered into with local shops is evidenced in writing.
- 6.9 Option 7 - (Encouraging ownership through Cycle to Work): The Council can work with local employers to encourage electric bikes to be embedded in the Cycle to Work scheme. There are no legal issues to be raised based on the information provided in this report.
- 6.10 Option 2 - (Deliver electric bikes / cargo bikes through the car club contract): In so far as the Council follows its Contract Standing Orders and the Public Contracts Regulations (PCR 2015) there will be no legal issues arising from procuring electric bikes/cargo bikes as part of the next car club contract. Further legal advice will be provided upon instructions from the Council.
- 6.11 Option 4 - (Deliver electric bikes through dockless bike operators): The Council will need to follow its Contract Standing Orders in any event. We have not seen the draft Memorandum of Understanding or licensing arrangements. Further legal advice will be provided upon instructions from the Council.

- 6.12 Option 3 - (Seek to deliver electric bikes through Brompton Dock): The Council must consider the implications of State Aid. Further legal advice will be provided upon instructions from the Council. The Council must ensure that any arrangement entered into is evidenced in a funding/grant agreement and that the terms and conditions imposed on the Council in securing any external funding are reflected in the funding/grant agreement.

7. Appendices and Background Documents

Appendix letter	Title
A	Electric Bikes Options Assessment

Background documents
None

Audit Trail		
Version	Final	Date: 19 February 2019
Consultation with other officers		
Finance	Yes	Al Mawji
Legal	Yes	Rachel Godson-Amamoo
Other Officers:	Yes	Mervyn Bartlett
Equality Impact Assessment required?	No	N/A