

Local Enterprise Partnerships & the Economic Case for Bike Share

Background

This document is aimed at supporting Local Enterprise Partnerships, local authorities (including Combined Authorities and Regional Transport Boards) and other organisations applying for funding for public bike share. It demonstrates the contribution that this can make to sustainable transport and economic vibrancy.

Experience shows that bike share systems provide both residents, workers and visitors access to work, business opportunities, retail and other services, leisure activities, and tourist destinations. The flexible nature of public bike share stimulates economic growth whilst reducing congestion, pollution and land take of motorised travel.

In the past, most UK bike share schemes have required injections of public funds. This has been obtained from a range of sources, notably the Local Sustainable Transport Fund (LSTF) between 2011 and 2015.

Since 2017 there has been an influx of operators offering privately financed schemes which have removed or reduced the need to identify and secure public money. However, this lower cost model has also resulted in a reduced level of public control. While some local authorities have accepted this, others have felt that they need to retain the oversight that a publicly funded scheme offers.

Following the end of the LSTF, some authorities have successfully presented the business case for their Local Enterprise Partnership (LEP) to invest in developing bike share for their area. Funding has been via the Local Growth Fund (LGF), provided by central Government to LEPs to fund capital projects supporting growth.

These examples are interesting now as they offer an alternative capital funding source at a time when privately financed companies appear to be focusing on the profitable centres of larger cities. Securing LGF support can:

- Allow a local authority (or consortium) to choose from all suppliers, not just those offering a capital-free scheme
- Support schemes in cities which might be less attractive to privately financed operators
- Supplement investment from private sources to allow for
 - expansion out of city centres
 - the addition of e-bikes to the fleet
 - social inclusion marketing and engagement activities

Other projects have been funded by the Housing Infrastructure Fund, which supports local work that will make housing developments viable and get much-needed homes built quicker. Supported projects have included cycle infrastructure schemes which can support bike share through increased cycle parking and measures such as contraflows on one-way streets. While HIF has not been yet used to directly support bike share, it would offer an opportunity in the appropriate location.

Another route for support for bike share is through the development of a Local Cycling & Walking Infrastructure Plan (LCWIP). The Government has funded 36 local authorities in England to help them develop an LCWIP, with networks for walking and cycling planned through a structured and evidence-based approach. This will become the norm for network planning for the future and areas without an LCWIP will be at a disadvantage when seeking funding. In addition, authorities are expressly recommended in the National Planning Policy Framework to ensure that their planning policies and Local Plan provide for high quality cycling networks and supporting facilities, drawing on an LCWIP.

Key data

The research summarised below comes from studies carried out by the European Cycling Federation, CoMoUK (including our 2018 survey of bike share users), and various academic sources, into the impacts of public bike share and cycling in general.

Commercial and retailing activity

- 70% of businesses reported a positive impact on their neighbourhoodⁱ after launch;
- 20% of businesses and 23% of users reported a direct impact of spending from bike shareⁱⁱ, Cyclists spend more money in city centres that those travelling by carⁱⁱⁱ;
- A study reported an extra spend of US\$1.20/user/week in proximity of bike share stations^{iv};
- Visiting cyclists spend on average £25 / day locally (compared to £7.30 by car-borne visitors) as cyclists can't always carry what they need with them and feel hungrier from exercising^v;
- Bike share draws visitors to tourist attractions through a fun, flexible, fast and affordable travel mode. E.g. leisure cycling on Liverpool's waterfront and Belfast Titanic quarter
- 16% reported spending in new locations due to accessibility of a new bike share station;
- A study in Bristol of showed that retailers overestimated the share of car-drivers among their customers by almost 100%: In a survey, they stated that 41% of costumers would come by car, while the actual value was only at 22%. For cycling, it was the opposite: Shopkeepers estimated the share of cyclists among their customers at 6 per cent, while the actual share was 10%. Shopkeepers also overestimated the distances customers would travel to their shops: They thought that only 12% of clients would live less than half a mile from the shop, while the real value was 42%^{vi};
- London's scheme has enhanced the public realm through increased lighting and security;
- There is a correlation between properties located close to a bike share having an increased value^{vii}.



Bike share constitutes, complements and extends existing public transport

- A network of bike share hubs offers a flexible mode of transport available to the public for commuting, business and leisure trips. Users rate bike share high for convenience, (78% saved time and 79% said it made their journey easier)^{viii}. Traditional public transport is often limited to corridors which can make cross-city journeys complicated and lengthy.
- Bike share is complementary to public transport - it is often used as the first and last mile to add flexibility and convenience to



journeys. This multi-modal package then becomes, for some, a more viable alternative to the car supporting sustainable, healthy travel:

- 26% of UK bike share users reported using it in conjunction with the bus
- 26% illustrated indicated using bike share with the train.^{ix}
- **Case study:** The West Midlands bike share scheme, to be launched in early 2019, will be integrated with the *swift* card system, offering bike share on the same platform as local rail, tram and bus travel.

Bike share, bike sales and cycle hire

Bike share introduces people to cycling and complements people riding their own bike and indicates increased sales of bikes, 6% of respondents to the 2018 survey stated they purchased a bike^x

- Schemes are growing the market of cycling - 23% of bike share riders hadn't cycled for 5 years or more^{xi}.
- Bike share co-exists with the existing traditional cycle hire market, the latter catering to a market who may need support and advice
- **Case study:** In Oxford pricing is aimed at different markets with different bikes, Ofo and Mobike per minute pricing (predominately for commuters and business travel) and Bainton Bikes (day rates for tourist/leisure user).

Business and employment opportunities

- BtnBike Share (run by Hourbike in Brighton) has sub-contracted maintenance and redistribution to a local mobile bike repair service, allowing them to expand
- Citybike (run by Liverpool City Council) has created employment opportunities with local social enterprise Peloton to provide maintenance support. This involves training adult ex-offenders to Level II Cytec
- Bike share membership is a low cost, flexible, healthy support mechanism for those without work to help them access job opportunities

Congestion reduction time savings

- Congestion time savings from reducing motorised traffic, 22% of bike share riders said they previously travelled by car or taxi
- Bike share supports new developments or allows sites to add new jobs without creating additional pressure on parking spaces or local roads
- Capital Bikeshare in Washington DC, USA, has saved its residents hundreds of millions of dollars in time savings by cutting congestion by 4%^{xii}



Health benefits and economic savings

- The health benefits of attracting a new cyclist have been estimated as £370 a year^{xiii}
- Cyclists have increase productivity, are healthier and take less time off^{ffxiv}
- Bike share is safer than personal bikes^{xv}, indicating costs savings through reduced road traffic incidents

Examples of Bike Share Funding from Local Enterprise Partnerships (LEPs)

Council / LEP	Amount invested	Notes
Brighton and Hove City Council / Coast to Capital LEP	Investment of £1.1m of £1.45m total in partnership with Brighton & Hove City Council, delivering 439 bikes at 50 hubs	Condition set that the council can't add revenue support. All operating costs must be met by the supplier and their partners. Sponsorship was secured to supplement operational expenditure.
Derby City Council / D2N2 LEP	Investment of £0.5m to match £0.2m from University, delivering 200 e-bikes at over 20 hubs	The University of Derby has indicated revenue support for 3 years in return for 6 docking hubs. Locations including the railway station, the city centre and key employer sites were based on those identified in the 2016 feasibility study by Systra & Transport Initiatives
Guildford Borough Council / M3 LEP	Investment of £0.2m being requested to match £0.6m from the council	Council funding being provided from providential borrowing against housing stock
Crawley Borough Council / Coast to Capital LEP	Active travel funding of £1.5m provided for wider cycling and walking initiatives	Funding formed part of £15m growth package. No specific funding for bike but anticipated that some support will be provided. Interest from local business including Gatwick Airport.

References

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- xii Hamilton, T & Wichman, C. 2016 Bicycle Infrastructure and Traffic Congestion. [ONLINE] <http://www.rff.org/files/document/file/RFF-DP-15-39-REV.pdf>
- xiii DfT guidance for 2016/17 on 2010 prices
- xiv Absenteeism is reduced by 0.4 days off per year by those who cycle (or walk) (DfT)
- xv Graves et al. 2014. Public Bicycle Share Programs and Head Injuries. American Journal of Public Health.