

Cabinet

3 SEPTEMBER 2012

**CABINET MEMBER
FOR TRANSPORT
AND TECHNICAL
SERVICES**

*Councillor Victoria
Brocklebank-Fowler*

**MAYOR OF LONDON'S CYCLE HIRE
SCHEME**

Wards: All

This report seeks authorisation to enter into an agreement with Transport for London (TfL) to extend the Mayor of London's Cycle Hire Scheme into the borough and to make a contribution of £2 million to the extension as detailed in section 4 of the report

CONTRIBUTORS

Director for Transport
and Highways

Recommendations:

- 1. That authority be delegated to the Cabinet Member for Transport and Technical Services, in conjunction with the Executive Director for Transport and Technical Services, to enter into an agreement with Transport for London to extend the Mayor of London's Cycle Hire Scheme into the borough**
- 2. That the Council makes a contribution of up to £2 million to the extension, to be recovered by developer contributions, as detailed in Section 4 of the report.**

**HAS THE REPORT
CONTENT BEEN RISK
ASSESSED?
YES**

**HAS A EIA BEEN
COMPLETED?
YES**

1. BACKGROUND

- 1.1. In July 2010, the Mayor of London, Boris Johnson, introduced his automated cycle hire scheme to central London. Some 6000 bicycles have been provided at 400 docking stations. The bicycles are popularly known as “Borisbikes” and the scheme is sponsored by Barclays. The bikes are already an iconic addition to London’s streetscene.
- 1.2. Following on from the success of the scheme, in the spring of 2012 the scheme was extended into its second phase. This consisted mainly of an eastwards extension to Tower Hamlets, but also included the provision of four docking stations around the Westfield Shopping Centre at White City. These were paid for by Westfield as part of an agreement with the Mayor. There are now 8333 bicycles at 587 stations and at June 2012 there had been 13 million hires, of which 95% were new cycling trips. There are currently 160,000 registered members of the scheme.
- 1.3 TfL now plan to extend the scheme to the northern part of LB Wandsworth, the whole of Fulham, and Hammersmith eastwards from the town centre up to Shepherds Bush (see Fig 1). This is known as Phase 3 of the scheme. TfL require a contribution of £2 million from both LBHF and LB Wandsworth (together with a smaller contribution from the Royal Borough of Kensington and Chelsea, where some additional stations are being provided) TfL believe that the scheme will attract large numbers of users from LBHF, firstly because a large number (some 3,900) of registered users of the existing scheme live in LBHF and secondly because TfL’s market research suggests that there is a large potential market in the borough.
- 1.4 Safety concerns are a key barrier to cycling take up. Rates of accidents resulting in deaths and serious injuries are generally higher than for public transport. In the first year of the scheme’s operation, there were 50% fewer serious accidents on the hire bikes than would have been expected if they had continued to walk or use public transport. A code of conduct has been developed to mitigate risks and the number of serious accidents between July 2010 and March 2011 was 5, out of a total number of hires in the order of 4 million.

2. POLICY CONTEXT

- 2.1 The Mayor of London aims to effect a “Cycling Revolution” in the city, increasing cycling in London by 400% by 2026 compared with 2001. The Cycle Hire Scheme is one of the main elements of his strategy. Increasing cycling is also a key part of Hammersmith & Fulham’s transport Local Implementation Plan (LIP), which has a target of increasing the cycling share of 4% (one of the highest in London) to 7% by 2031 . A large proportion of the respondents to the “Get H&F Moving” campaign last year asked for improved facilities for cycling and there were some 200 positive responses from residents to our request for suggestions for locations for cycle hire docking stations.

3. LOCATION OF DOCKING STATIONS

- 3.1. TfL aim to provide a docking station every 300-400 metres, and are looking to provide 60-70 stations in the borough. In order to facilitate efficient servicing, they stipulate that each station should have spaces for a minimum of 25 bicycles. Possible sites suggested by the public (see para 2.1 above), TfL officers and Council officers have been evaluated against a range of criteria, including the effects on car parking, trees, crime prevention, waste, highways, parks, heritage and conservation and planning, with several sites eliminated where there are fundamental objections on one or more of these grounds. Sites which have survived this process are being designed in detail to TfL, who intend to hold a series of public exhibitions in the borough in the autumn to get the views of the public on them. They will then apply to the Council for planning permission for each site. Subject to the agreement of their board in September, TfL intend to implement Phase 3 of the scheme in May 2013. The extent of Phase 3 and provisional location of docking stations in LBHF are shown in the attached diagrams

4. FUNDING

- 4.1 TfL have stipulated that they require a funding contribution of £2 million from the London Borough of Hammersmith and Fulham in order to extend the cycle hire scheme into the borough. TfL require the £2million contribution to be paid by May/June 2015. TfL have stated that officer time spent on the project cannot be counted towards the Council's contribution (even though this contribution is likely to be substantial). Other in-kind contribution, such as the provision of land, is acceptable in principle, but as a depot is not required in LBHF, opportunities for such provision are limited.
- 4.2 Therefore the most appropriate source of funding is contributions from developers, either through Section 106 agreements or the Community Infrastructure Levy (CIL). High levels of cycling are necessary to enable large scale developments to take place without putting undue strain on the highway and public transport networks, and the Cycle Hire Scheme is an appropriate way of encouraging and facilitating cycling.
- 4.3 Officers have been negotiating with developers on the provision of funding for the cycle hire scheme since the extension was mooted by TfL in the summer of 2011 . A list of the developments from which contributions can be expected is provided in the exempt section of the report. There is a risk that not all the Section 106 and CIL funding will be in place by TfL's deadline of January 2015. We will therefore seek to extend TfL's deadline for payment until at least March 2016, while paying TfL instalments of what funds we have in advance of the deadline.

- 4.4 TfL will require the Council to enter into an agreement to permit them to undertake works on the Council's highways (Section 8 agreement). The Director for Transport and Technical Services has delegated authority to enter into such an agreement.

5. RISK MANAGEMENT

- 5.1 The risks are included in the Transport and Technical Services Department risk register. The main risk is that some or all of the £2 million contribution from the Section 106 funding is not delivered in time to meet TfL's deadline of January 2015. In this eventuality, the Council will have to cover any shortfall from its reserves until the funding is received, or find an alternative source for the funding. Officers consider that this risk is small to medium, and it can be significantly mitigated by an extension of the deadline to March 2016 as noted in para 4.3 above.
- 5.2 There is also a risk that the scheme may not be delivered, e.g. if TfL decide it is no longer viable for whatever reason. We should therefore incorporate into any agreement with TfL that any moneys paid by the Council to TfL will be refunded in these circumstances.
- 5.3 Each docking station requires planning permission. It is possible that a large number of stations will be refused permission, so there are insufficient stations for a viable scheme. Given experience in Central London and the fact that the station sites will have been through a rigorous pre-planning application appraisal and public exhibitions, this risk is considered to be small.

6. EQUALITY IMPLICATIONS

- 6.1 The EIA for this project is available electronically. A barrier to many residents of the borough taking up cycling is the lack of cycle parking space at their homes. The Mayor's Cycle Hire Scheme is one means of overcoming this problem.

7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 7.1 The Head of Development Management states that sufficient funds have been identified from existing S106 contributions currently held and those due, which have been identified for transportation/highways purposes, and which would be appropriate to be used for the London Cycle Hire Scheme. Some contributions are anticipated explicitly for this purpose. Although the precise timing of receipt of the contributions due cannot be known, officers are confident that the amount required will be available within the timeframe set out by TfL. Clearance for this spend against specific S106 funds will be sought from Cabinet in due course.

- 8.1 Should funds not be available in time there is some possibility that a call will be made on the Capital Reserve until such time as the funds have been received, although ultimately the project will be fully funded.

9. COMMENTS OF THE DIRECTOR FOR LEGAL AND DEMOCRATIC SERVICES

- 9.1 The details of the contribution for TFL would need to be set out in the agreement to extend the Mayor of London's Cycle Hire Scheme. Amongst other things, the agreement should set out:
1. how the contribution to TFL has been calculated;
 2. what is to happen in the event of a dispute between the parties;
 3. whether the contribution to TFL will include indexation which TFL are likely to request especially if the funds are not to be paid until 2015 (in which case the final sum may exceed £2 million); and
 4. a time period for repayment of the funds to the council if the TFL scheme is not delivered as the Council would not wish for the funds to be held indefinitely by TFL without being used.
- 9.2 If the Council intends to use contributions from a variety of Section 106 agreements, it is necessary to consider that from the earlier of the date that the Council adopts the charging schedule for CIL or 6 April 2014, there will be a limit of 5 contributions which can be pooled together for a particular development, which in this case is the London Cycle Hire Scheme. The Council will therefore need to consider which developments contributions will be used to fund the payment to TFL
- 9.3 When the contribution towards CIL is received, it will need to be used for different types of infrastructure in the borough and not just for transport. Depending on when the CIL charging schedule is adopted there may be a shortfall between the sums received and the sums which need to be paid to TFL.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Mayor of London's Second Transport Strategy (MTS2) 2010	Chris Bainbridge, 3354	TTS
2.	Hammersmith & Fulham Second Local Implementation Plan for Transport, 2011	Chris Bainbridge 3354	TTS
CONTACT OFFICER:		NAME: Chris Bainbridge EXT. 3354	