



AGENDA ITEM: 5(d)

CABINET: 12 January 2016

Report of:	Assistant Director Planning
Relevant Managing Director:	Managing Director (Transformation)
Relevant Portfolio Holder:	Councillor J Hodson
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SUBJECT: SKELMERSDALE & UP HOLLAND (RE)CYCLE TO WORK SCHEME

Wards affected: All Skelmersdale Wards and the wards of Up Holland, Wrightington and Bickerstaffe

1.0 PURPOSE OF THE REPORT

- 1.1 To update Members on the performance of the (re)Cycle to Work scheme, and to seek approval to increase the grant offered and to provide the scheme providers with a springboard grant to improve stock availability.

2.0 RECOMMENDATIONS

- 2.1 That the report be noted.
- 2.2 That the funding provided to the nominated supplier to cover the cost of each cycle together with associated safety equipment (helmet and lights) be increased in value from £50 to £100, and that a repayable springboard grant of £800 be provided to the nominated supplier to improve stock availability.
- 2.3 That delegated authority be granted to the Assistant Director Planning to negotiate terms and enter into an agreement with the nominated supplier and, in consultation with the Portfolio Holder, to make any necessary further changes in the future to the value of the cycle grants.

- 2.4 That delegated authority be granted to the Assistant Director Planning, in consultation with the Portfolio Holder, to decide whether to continue with the scheme should uptake remain low.

3.0 BACKGROUND

- 3.1 As Members will be aware, the Borough Council has been developing a range of options to help link residential and employment areas, utilising available S106 funds. Such schemes are designed to improve connectivity and help those seeking employment in Skelmersdale and Up Holland to access work. To date, these options have included provision of, or improvements to, cycle/footpaths and the setting up of a Demand Responsive Transport Service (DRTS), along with the (re)Cycle to Work scheme.
- 3.2 The (re)Cycle to Work scheme allows employees to apply for a grant to assist them to purchase a reconditioned bicycle, from a nominated supplier, to help them travel to employment. Cabinet approved the scheme in November 2013, and the scheme went live in June 2014. A nine month review of the pilot scheme was reported to Cabinet in March 2015, with Members agreeing to extend the scheme to additional users by increasing the salary cap and by removing the condition relating to no alternative transport options in order to encourage sustainable travel to employment. Members also agreed to extend the service to the White Moss employment area with alternative S106 funding.
- 3.3 To be eligible for the (re)Cycle to Work scheme, applicants are required to live in the Skelmersdale/Up Holland area (see Appendix A), work or have an offer of employment on the Pimbo Employment Estate or White Moss Business Park and earn under £25,000 per annum. Applicants should be referred to the scheme by Job Centre Plus, private recruitment companies or their employer and must submit an application form to the Council to have their eligibility checked.
- 3.4 Upon membership approval, an order is raised with the bicycle supplier to purchase a reconditioned bicycle, and the applicant is informed when they can collect the bicycle. Bicycles are supplied with safety equipment, at a current total cost of £50 each. The bicycles conform to the relevant British Standards.
- 3.5 Only one grant per person is available to purchase a bicycle. Bicycles are then the property of the employee and they are responsible for maintenance/upkeep and security. No additional grants will be given for bicycles that become damaged or are stolen.

4.0 CURRENT POSITION

- 4.1 Previous Cabinet reports have reported that the performance of the (re)Cycle to Work scheme was lower than that anticipated, and Members have granted approval to extend the operation of the scheme in an attempt to increase uptake.

Together with renewed marketing campaigns, the changes have resulted in an increase of applications to the scheme. In 2014/15 there were 18 applications, increasing to 35 applications in the first six months of 2015/16.

- 4.2 In the first 18 months of the scheme, the Council has received a total of 53 applications for reconditioned bicycles, of which 20 have been collected. Each cycle together with safety equipment costs £50 and therefore the total cost of the scheme so far stands at £1000 (£650 in 2015/16, £350 in 2014/15).
- 4.3 The November 2013 Cabinet report estimated the costs of the (re)Cycle to Work scheme based upon the take up of the DRTS at that time. Assuming that the level of demand for the recycled bikes would be the same as that for the DRTS, the report included an estimate that the annual running cost of the cycle scheme would be £9,920. However it also included a caveat that it was likely that actual take-up levels would be far lower. Clearly, current performance shows take-up of the cycle scheme has been significantly lower than had been hoped for.
- 4.4 Officers have tried to identify why take up has been low. Inevitably, cycling may not appeal to all people, and in winter months interest will typically reduce. Each marketing campaign sees a degree of renewed interest and a number of new applications, but, once this saturation of initial interest is met, the scheme will largely be dependent on new employees starting in those employment areas. A similar pattern can be seen in the performance of the DRTS which suggests a low turnover of new staff in each employment area.
- 4.5 In purporting to identify issues relating to the collection of cycles, officers sought feedback from the bicycle provider Total Reuse (formerly called ExselCIC). Often bicycles are not collected as a result of the applicant changing their mind or a change in circumstance. For example, many applicants are Eastern European and may return home before they collect the bicycle. Such factors are beyond the control of the Council or Total Reuse. Only one bicycle so far has been refused based on the aesthetics of the bicycle.
- 4.6 However, feedback has highlighted delays in the provision of bicycles due to a stock shortage of sizes available for both men and women. As part of the contract with WLBC, Total Reuse agreed that they would be able to supply bikes to meet the requirements set out through the contract. At that time, Total Reuse had been assured by various sources (including the police) that free bicycle donations were available. Since that time, however, many of the sources have failed to yield (for example, the police have decided to auction off stolen bicycles rather than donate them to social enterprises). In addition, of those bicycles being donated to Total Reuse, most are for children and there is subsequently a shortage of adult bicycles, for both males and females.
- 4.7 Consequently, to address this issue, and enable Total Reuse to meet the conditions of the agreement, Total Reuse have been purchasing bicycles themselves, paying around £55 for each bicycle and then £15 for safety equipment. Each bicycle is therefore costing the company £70, but they are only

receiving £50 from WLBC, making a loss of £20 per bicycle. The original price structure is thereby prohibitive to the scheme.

- 4.8 Total Reuse has looked at similar schemes in Manchester and Merseyside to identify comparable costs. A Wigan scheme charges £120 per reconditioned bicycle and safety equipment, whilst other schemes (www.recycleabike.co.uk) charge £100. It is considered that an increase in prices will reflect similar schemes elsewhere and be conducive to supporting the scheme financially. It is therefore recommended that the grant amount be increased from £50 to £100 per applicant, to cover the cost of bicycles and safety equipment, with any future increases to be agreed under the delegated authority of the Assistant Director Planning in consultation with the Portfolio Holder for Planning. This would create a margin for Total Reuse to reinvest in the purchase of bicycles, to help ensure continuous availability of stock.
- 4.9 Total Reuse has also requested that a £800 springboard grant be provided to enable them to purchase bicycles to provide the readily available stock necessary to facilitate the scheme in the short term. This stock would thereafter be replenished through the profit margin that would be secured should the grant per bicycle be increased to £100 as set out in paragraph 4.8. The springboard grant will be repayable to the Council at the end of the agreement. Total Reuse is already investigating alternative sources for bicycles – for example the Wigan Gearing Up programme has already been approached to assist and has agreed in principle.
- 4.10 Subject to Cabinet approval, the agreement with Total Reuse will be amended to reflect the recommendations pertaining to an increase in the grant awarded to each bicycle and the introduction of a springboard grant. The scheme can then continue with periodic reviews of its performance. The agreement will also be modified to extend the time period for the scheme to 36 months – the original agreement only referred to the 9 month pilot period.
- 4.11 Whilst it is recognised that the scheme is not performing as well as intended, its low management time and low costs mean that the scheme can continue to operate with little impact on Council resources. S106 monies remain available to fund and sustain the (re)Cycle to Work project and the scheme is considered to be of value – it recycles bicycles, supports sustainability, improves the environment, promotes health and exercise and facilitates access to employment.
- 4.12 Unfortunately, the restrictions of the S106 agreements involved mean that the scheme cannot be extended to other employment areas of Skelmersdale or the wider Borough. Use of S106 monies must be geographically linked to the location of the development from which they stemmed.

5.0 FUNDING

- 5.1 The (re)Cycle to Work scheme which serves Pimbo is funded from the S106 monies received from the Walkers development. There is currently £107,825 available to spend. Note that the Walkers monies are also allocated to spend on the Demand Responsive Transport Scheme (DRTS).
- 5.2 In addition, £14,056 from the S106 planning obligation at Maple View, Skelmersdale is used to fund the (re)Cycle to Work scheme which serves the White Moss Business Park.
- 5.3 Current estimates, based on existing levels of use and the proposed changes to the funding of the scheme, indicate that the cycle to work scheme will only utilise a small proportion of the available S106 monies. Optimistically assuming 15 bicycles are awarded each year, a total cost of £6,000 over 4 years would be expected from this point forward, in addition to the springboard grant of £800. Given the low level costs of running this scheme and the amount of S106 available, it is possible to fund the cycle scheme over the next few years, whilst also being able to support other schemes such as the DRTS.

Table 1: Current uptake and costs

	Grant	Cycles collected (actual)	Cycles collected (estimate)	Actual / Estimated cost
2014/15	£50 per cycle	7	-	£350
2015/16 (to date)		13	-	£650
				£1000

Table 2: Estimated uptake and costs

	Grant	Cycles collected (actual)	Cycles collected (estimate)	Actual / Estimated cost
2015/16 (rest of year)	£100 per cycle	-	8	£800
2016/17		-	15	£1500
2017/18		-	15	£1500
2018/19		-	15	£1500
Springboard grant				£800
Total				£6100

- 5.4 Performance will continue to be monitored and the cycle scheme managed in response.

6.0 VIEWS OF THE ASSISTANT DIRECTOR PLANNING

- 6.1 The (re)Cycle to Work scheme has the potential to provide some real benefits to the local community, by providing an affordable and sustainable alternative transport solution, facilitating access to employment, promoting health and exercise, improving the environment and supporting local employment. Despite the low take-up of the scheme, it is expected that there will remain an interest in it from new and existing employees.

- 6.2 Whilst it is recognised that the scheme is not performing as well as hoped, its low management time and low costs mean that the scheme can continue to operate with little impact on Council resources. This report recommends that the amount of funding that is awarded for each bicycle should be increased from £50 to £100, and that a springboard grant of £800 should also be awarded to Total Reuse to help improve the availability of bicycle stock. S106 monies remain available to fund and sustain the scheme, and the low cost of the scheme means that a large proportion of S106 monies will remain available for use on other transport schemes.
- 6.3 It is therefore recommended that the (re)Cycle to Work scheme continues with the proposed variations to the scheme. The performance of the scheme will continue to be regularly reviewed and managed.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 Subject to its on-going success, the (re)Cycle to Work scheme will meet many of the aims of the Sustainable Community Strategy. It will assist in getting people to work and will reduce the use of private cars and therefore reduce the amount of carbon emitted. Thus it will have economic, environmental and social benefits.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 The continuation of the scheme can be funded through existing S106 monies specifically acquired for such a scheme.
- 8.2 Typically, S106 monies which are not spent by their deadline may need to be returned to developers and so it is important that the monies are fully spent on suitable projects by the deadline for the use of those S106 monies.

9.0 RISK ASSESSMENT

- 9.1 Some of the Section 106 funding is ring-fenced specifically for alternative transport provision within Skelmersdale and contractually will have to be returned to developers if not spent within a set timescale for schemes such as the (re)Cycle to Work scheme.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

There is a significant direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account when undertaking the actions detailed within this article.

Appendices

Appendix A – Map showing the areas that can access the proposed scheme

Appendix B – Equality Impact Assessment

