

# **Strategic Planning and Infrastructure Committee**

**8 June 2021**

## **Options to Procure a Cycle/Scooter Hire Scheme in Maidstone**

<b>Final Decision-Maker</b>	Strategic Planning and Infrastructure Committee
<b>Lead Head of Service</b>	William Cornall, Director of Regeneration and Place
<b>Lead Officer and Report Author</b>	Alexander Wells, Service Analyst
<b>Classification</b>	Public
<b>Wards affected</b>	All

### **Executive Summary**

This report sets out the procurement options available to Maidstone Borough Council for bringing a micromobility hire scheme offer to the market.

### **Purpose of Report**

To facilitate a member decision on which procurement option Maidstone Borough Council uses to procure a Micromobility hire scheme.

### **This report makes the following recommendations to this Committee:**

That:

1. The preferred option (option 3), as shown in the report, be agreed.
2. Following the procurement exercise, details of the successful bid be provided to the Committee for noting.
3. An update of the services' success be provided 12 months from the contract's commencement.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Strategic Planning and Infrastructure Committee	08 June 2021

## Options to Procure a Cycle/Scooter Hire Scheme in Maidstone

### 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	<p>Accepting the preferred option will improve the Council's ability to achieve the following corporate priorities:</p> <ul style="list-style-type: none"> <li>- Embracing Growth and Enabling Infrastructure</li> <li>- Safe, Clean and Green</li> <li>- A Thriving Place</li> </ul>	William Cornall
<b>Cross Cutting Objectives</b>	<p>The preferred option supports the achievement of the following three cross-cutting objectives:</p> <ul style="list-style-type: none"> <li>- Health Inequalities are addressed and reduced</li> <li>- Deprivation and Social Mobility is improved</li> <li>- Biodiversity and Environmental Sustainability is respected</li> </ul> <p>Health Inequalities, particularly those related to inactivity and a sedentary lifestyle (which have been exacerbated by multiple lockdowns due to the impact of COVID-19) can be reduced by accepting the options and implementing a low-cost active travel measure for first/last-mile journeys.</p> <p>This may also help to improve social mobility by providing town centre workers a low-cost alternative to commuting when compared to existing parking and public transport offerings, particularly helping lower-income workers to reduce their expenditure and maximise wage retention.</p> <p>Finally, the scheme will provide an emission-free transport option helping to minimise the impact of harmful emissions on air quality in</p>	William Cornall

	<p>the town centre and local ecosystems. Additional requirements can be specified so that all vehicles used in operating the service must be zero emission vehicles.</p>	
<b>Risk Management</b>	Please refer to Section 5.	Jennifer Warrilow
<b>Financial</b>	<p>The financial impact of operating the scheme is unable to be defined at this time.</p> <p>We are unable to determine this until a procurement process is completed. If additional funding is required, a separate bid for funding will be submitted to Policy &amp; Resources Committee and an analysis of available external funding will be conducted.</p>	Ellie Dunnet
<b>Staffing</b>	We will deliver the recommendations with our current staffing levels.	William Cornall
<b>Legal</b>	This project will conform to governing legislation and Legal Services will be involved in contract formation to ensure that appropriate rights and responsibilities are clear.	Patricia Narebor
<b>Privacy and Data Protection</b>	<p>Accepting the recommendations will provide us an opportunity to capture new customer data.</p> <p>However, until a supplier is appointed, it's impossible to accurately assess the volume, type and format of data.</p> <p>Data will be processed in accordance with internal policies and the Data Protection Act 2018. A data sharing agreement will also be included as part of contract formation if the recommended option is approved.</p>	Policy and Information Team
<b>Equalities</b>	We recognise the recommendations may have varying impacts on different communities within Maidstone. Therefore, we have completed a separate equalities impact assessment at Appendix 3.	Angela Woodhouse
<b>Public Health</b>	We recognise that the recommendations will have a positive impact on population health or that of individuals.	John Littlemore

<b>Crime and Disorder</b>	<p>Based on case studies from other UK cities, accepting the recommendation may see some potential increase in attempted vandalism.</p> <p>Suppliers make great efforts to prevent this from happening and if the recommended option is accepted, suppliers will be asked to provide details on how they will reduce antisocial activity and scored on it accordingly.</p> <p>If the recommended option is accepted, we will liaise with the appointed supplier and the Community Protection Team to minimise associated risks.</p>	John Littlemore
<b>Procurement</b>	On accepting the recommendations, the Council will complete a full Procurement in accordance with financial procedure rules.	Ellie Dunnet

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Maidstone Borough Council have committed to the vision of 'making cycling and walking the natural choices for shorter journeys, or as part of a longer journey' in line with Government guidance.
- 2.2 The increased popularity of micromobility hire services such as pedal powered cycle hire schemes, electronically assisted pedal cycle hire schemes and powered scooter hire schemes has skyrocketed over the past five years.
- 2.3 This increased popularity has led to a generally improved public perception of micromobility as a means to complete shorter journeys in urban environments.
- 2.4 Utilising micromobility in Maidstone provides an opportunity to make headway on some strategic goals laid out in both the Integrated Transport Strategy (C7) as well as the Maidstone Borough Council Walking & Cycling Strategy (MTC3, MTC14).
- 2.5 Significant amounts of work were put into assessing the impact of improved active travel (specifically cycling) in Maidstone as part of the Walking & Cycling Strategy. I will provide a brief summary below:
- 2.6 Economic Benefits:
  - Benefit to local economy due to increasing number of people travelling on local streets
  - Potential to incentivise people to visit and improve visitor economy, this includes leisure cycling opportunities such as Mote Park

## 2.7 Health Benefits:

- British Medical Association highlight positive links between increased physical activity and improved overall health
- National Institute for Health and Care Excellence (NICE) identify benefits associated with active travel including improved mental health, physical fitness and prevention of chronic diseases and health conditions

2.8 By reducing the level of harmful pollutants emitted by combustion engines, air quality may improve to a degree, lessening the chances of associated respiratory illnesses

## 2.9 Social Benefits:

2.10 A low-cost scheme promotes social inclusion and can reduce commuter costs associated with other forms of transport

2.11 Micromobility can provide a potential solution to the last mile problem for many journeys

## **Post-Covid Revitalisation**

2.12 Following the impact of COVID-19 on Town Centre footfall, we have observed that despite the easing of restrictions and improved weather conditions, levels of patronage in MBC Car Parks (as of April 2021) are at 69% of where they were in 2019 for the same month.

2.13 Due to the social restrictions put in place through lockdowns and social distancing, getting regular exercise and appreciating the outdoors has been harder for many individuals, but has also made these things priorities for many.

2.14 This has been reflected in car park patronage levels in the Borough, historically highly utilised car parks have now been overtaken by Mote Park as a destination for motorists.

2.15 Introducing micromobility to cater to either commuters, leisure visitors or both may serve to revitalise the Town Centre post-COVID by providing an active new service which has seen unparalleled growth globally and nationally over the past two years.

## **Obtaining Evidence for Long-Term Feasibility**

2.16 Procuring a micromobility service for the Borough also allows us to gather real-world data on the operation of a micromobility hire scheme in Maidstone.

2.17 Many studies done both at a local government and academic levels focus on existing schemes, typically in locations such as London, Belfast and San Francisco. These case studies aren't comparable to Maidstone and subsequently provide little insight into the impact of these schemes in the medium to long-term.

- 2.18 By operating a trial scheme for a period of 3 years we will be able to gather real world data on both the operational and financial viability, the impact the service has had on our strategic goals, market growth and importantly whether there is a viable market for the service offering in the Borough.
  - 2.19 A report on the Long-Term feasibility based on data provided in the trial period will be presented to Committee prior to the contract end date of the trial scheme to allow consideration for whether we commit to micromobility hire schemes as an integral part of modal choice in the Borough.
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### **3. AVAILABLE OPTIONS**

#### **Option 1: Procure an Operator to Run a Leisure-Focussed Micromobility Hire Scheme**

- 3.1 A leisure-focussed micromobility hire scheme would cater primarily to visitors to the Borough, specifically visitors to our green spaces and the town centre.
- 3.2 Primary pickup/drop-off sites upon contract commencement will be:
  - Mote Park
  - Town Centre
  - Willington Street Park and Ride Site
- 3.3 Whilst there may be additional sites that could benefit the Borough in the long-term, it's important to remember that this scheme operates as a trial or proof of concept and therefore shouldn't commit to excessive long-term infrastructure costs where possible.
- 3.4 These sites would require a total of 3 docking stations (or equivalent for non-dock-based schemes) and 30 transports to operate.
- 3.5 These sites were chosen to facilitate access to the two greatest leisure destinations in the Borough, Mote Park (average of 11646 transactions per month over the past 12 months) and the Town Centre.
- 3.6 The site at Willington Street Park and Ride remains an excellent site to encourage motorists to park outside the town centre and use micromobility to access the town via Mote Park, reducing levels of harmful emissions in the town centre.
- 3.7 Recent investment into Mote Park as a key attraction of the borough, particularly with a focus on 'active leisure' provides a seamless overlap with the existing demographic that will likely see positive levels of usage.
- 3.8 However, a focus on leisure users also presents challenges, particularly regarding peak usage times and seasonal variation.

- 3.9 Providing a hire scheme focussed around leisure users shifts the core days of usage from Monday-Friday to Saturday and Sunday which limits the potential number of service users.
- 3.10 Weather has also been documented to have a significant impact on leisure-usage. Patronage remains stable on days with no rain and moderate weather; however, poor weather, rain and cold temperatures have all been shown to have a negative impact on usage.
- 3.11 Given the climate of the UK lends itself to short summers and significant rainfall, it's likely that service popularity will be limited to summer holidays and occasional out of season weekend users.
- 3.12 This model may potentially require a high level of subsidy to the operator due to the perceived lack of commercial viability in operating this service.
- 3.13 To help balance this financial risk, the trail from Willington Street Park and Ride to the Town Centre can also double as a commuter offering, allowing people to park for free out of town and pay a reduced fee compared to a car park or public transport offering to complete their 'last mile' journey.
- 3.14 Additionally, by limiting the number of docking stations (if the successful scheme is a dock-based scheme), we significantly reduce the operational costs involved with redistribution of assets, one of the major costs associated with hire schemes.
- 3.15 Preliminary engagement with suppliers has identified that an offering of no less than 30 transports will provide the minimum viable offering.
- 3.16 This option would likely be the most low-cost scheme we could implement; however, it would also likely be the lowest utilised service of all options where we proceed to procure a hire scheme.

### **Option 2: Procure an Operator to Run a Commuter-Focussed Micromobility Hire Scheme**

- 3.17 Focussing a micromobility scheme primarily on commuters allows us to provide coverage over a 2-mile radius measured concentrically from the town centre (Appendix 2).
- 3.18 This option is geared towards morning and evening commuters Monday-Friday at peak hours (peak hours have varied due to lockdown and are likely to change again as restrictions are eased), whilst also seeing lower levels of usage for visitors to the town centre during the day.
- 3.19 Primary pickup/drop-off sites upon contract commencement will be:

<b>Preferred Site</b>	<b>MBC-Owned Alternative</b>
Maidstone East	County Road
Maidstone West	Lockmeadow
Town Centre (Bus Station)	Medway Street
Willington Street Park and Ride	Willington Street Park and Ride

- 3.20 Selected sites cover core commuter hotspots across the borough, including the two central railway stations and the town centre.
- 3.21 Based on initial market research, this would require a minimum of 45 transports (and approximately 4 docking stations if the successful scheme is dock-based).
- 3.22 Willington Street Park and Ride site again allows motorists to park outside the town centre for free and travel through Mote Park before ending their destination in the town centre.
- 3.23 This should provide a last-mile solution for workers in the town centre, particularly lower-income workers for whom public transport or town centre parking charges may not be viable.
- 3.24 As some preferred sites will require negotiation with other stakeholders, including but not limited to Kent County Council (Highway Authority) and Network Rail, I have identified alternative sites owned by Maidstone Borough Council which can be utilised immediately and provide almost identical coverage.
- 3.25 This ensures that we can operate an independent trial scheme as efficiently as possible and removes potential additional charges for land usage, as well as potential interference from third parties about operation of the scheme.
- 3.26 Additional sites were identified as part of a previous scoping exercise, these sites were:
- Maidstone Hospital
  - MidKent College Oakwood Park Campus
- 3.27 Whilst these sites may provide a benefit, they are also located further out of the town centre which will increase the operating costs of the scheme. As we currently have no user data, it's also unknown whether these sites are likely to be well-used.
- 3.28 We will continue communications with both Maidstone Hospital and MidKent College's Oakwood Campus to investigate the opportunity for a formal agreement with either party to supplement their existing transport options.
- 3.29 This will include options for funding and operations which will require a formal commitment from both parties before it could be integrated into a procurement option.
- 3.30 Due to the uncertainty involved, these sites will be included as an executable option after year 1, once we are able to perform a comprehensive analysis of user data to determine the viability of expanding the scheme to these sites.

### **Option 3: Procure an Operator to Run a Micromobility Hire Scheme Encompassing Both Leisure and Commuter Demographics**

- 3.31 By procuring a hire scheme which caters to both leisure-users and commuters we can increase the levels of transference between these two markets.
- 3.32 Whilst this scheme would carry the same risks and benefits as the two prior options, it has the additional benefit of transferring users between demographics, particularly converting leisure-users to commuters.
- 3.33 By offering micromobility as a 'destination offering' at leisure locations such as Mote Park, we give members of the public who may not ordinarily choose micromobility as a modal choice an option to trial the service as part of a day out.
- 3.34 If the customer enjoys the service, this increases the likelihood of them choosing to use the service as part of their morning commute where applicable, thus increasing the potential for modal shift.
- 3.35 Primary pickup/drop-off sites upon contract commencement will be:

<b>Preferred Site</b>	<b>MBC-Owned Alternative</b>
Maidstone East	County Road
Maidstone West	Lockmeadow
Town Centre (Bus Station)	Medway Street
Willington Street Park and Ride	Willington Street Park and Ride
Mote Park	Mote Park

- 3.36 This allows us to cover the important and consistent commuter offering, whilst only needing to add one additional site to also cover the leisure offering.
- 3.37 The previously listed additional sites (below) will also be investigated after the first year of operation (from commencement date):
- Maidstone Hospital
  - MidKent College Oakwood Park Campus

### **Option 4: Take No Action**

- 3.38 Taking no action will result in no beneficial contributions to any of Maidstone's strategic objectives.
- 3.39 Additionally, there is no risk in doing so as there is no financial, operational, or legal risk in choosing not to procure a micromobility hire scheme.

## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is Option 3.
  - 4.2 Option 3 provides the core benefit of a consistent sustained user group as outlined in Option 2, whilst adding the ability to also transfer day-users from the leisure demographic to 'daily users' under the commuter demographic.
  - 4.3 Additionally, as doing this only requires one additional site (located within the boundaries of existing planned sites) this reduces the associated costs, particularly those associated with redistributing the transports themselves, one of the greatest costs associated with running a micromobility hire scheme.
  - 4.4 By appealing to the largest user group possible over our trial period, we increase our ability to gather useful data which will be integral in deciding whether this scheme has a positive impact on Maidstone's strategic objectives, as well as assessing its long-term commercial viability.
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## **5. RISK**

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework.
  - 5.2 Any additional risks cannot yet be identified, however if the Preferred Option is selected, risks as identified will also be considered in line with the Council's Risk Management Framework.
  - 5.3 Following a completed procurement process, the Equalities Impact Assessment will be reviewed and updated as required and a full Risk Assessment will be completed alongside the risks associated with the successful service.
  - 5.4 We are satisfied that the current risks associated with the preferred option are within the Council's risk appetite and will be managed as per the Policy.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 There has been no formal consultation or relevant previous committee feedback.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 If the preferred option is accepted, then I will prepare an output specification outlining our requirements and liaise with Procurement and Legal teams to bring an offer to market no later than July 2021.

- 7.2 This should allow us to complete the procurement process and appoint a supplier no later than early September 2021.
  - 7.3 Implementation and rollout of the successful scheme should be completed prior to the close of the calendar year dependent on the implementation plan and timescales provided by the successful supplier.
  - 7.4 Data analysis will be continuous with an accompanying monthly report dashboard summarising performance and key metrics available online.
  - 7.5 A full summary report of the service's impact over its duration will be completed prior to the end of the contract date to allow consideration of whether the scheme should continue over the long-term.
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## **8. REPORT APPENDICES**

- 8.1 The following documents are to be published with this report and form part of the report:
    - Appendix 1: Maps of Proposed Sites
    - Appendix 2: Map of Total Hire Scheme Coverage
    - Appendix 3: Equalities Impact Assessment
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## **9. BACKGROUND PAPERS**

- 9.1 The following background papers provide useful knowledge relevant to the matters discussed in this report:
  - Maidstone Borough Council Walking and Cycling Strategy
  - Government Walking Investment Strategy