

Appendix 5 – Analysis of 2014 Business case.

An officer analysis of the 2014 business case has identified the following points for review.

- The system adopted in the actual business plan used smart bike technology rather than smart hubs, which significantly reduced capital costs (technology not available to the market at the time of the bid which emerged during the procurement process).
- The lifespan of the bikes in a maritime climate is 5 years, not 10 as the original case assumed. The Benefits to Cost Ratio calculations need to reflect the actual predicted lifespan of the fleet from day one of the contract.
- Demand forecasting should give weight to the the actual experience of the scheme to date and consider any contrast with standard industry methods of prediction, erring on the side of caution.
- Predicted trip figures per bike per day should reflect actual figures to date and include a large seasonal variation. They require benchmarking against comparable areas in terms of area, population and visitor numbers, data which was not readily available in 2014.
- Revenue forecasting must take account of trip figures and assume a large optimism bias to any calculations.
- Ongoing capital and revenue income streams need to be identified alongside sponsorship revenue.
- Mode shift claims away from car use – claims for mode shift from pedal bikes need to reflect recent UK survey data; the E-bike and E-scooter experience in EU countries and the UK should be used to predict further mode shift benefits on cautious estimates
- A method for the evaluation of Air Quality, carbon reduction and noise reduction benefits in terms of cost benefits should be included.
- Careful consideration is needed of the most useful structures for facilitating ongoing participation by the CCG to ensure that social inclusion and public health goals are not lost during the lifespan of the project.
- Realistic expectations of sponsorship revenues should take account of Treasury and LGA assessments of the impacts of both Covid19 and Brexit on the wider economy.

Social and Health benefits.

Market analysis in the 2014 Business case carefully considered indices of multiple deprivation overall and specifically for physical and mental health outcomes across the proposed scheme area to the level of 500m2 hexagons. It noted that some areas of Brighton & Hove were in the top 5% in the UK in terms of deprivation on both measures.

A recommendation for social inclusion measures and social prescribing funding was made in the 2014 business case but this was not specified in the final business plan or in governance structures. The 2014 case recommended a CIC structure as a way of enshrining CCG and Charitable participation. The scheme has not delivered on social inequalities. Many disadvantaged people may not own a smartphone to support the SOBI app but can still access it via the website. the main barrier being that a bank card is required as a

guarantee against scheme membership when becoming a 'pay as you go' or annual member. The current operator has not been able to suggest a work around for this problem and reprocurement will need to address this issue with the membership protocols.

Social prescribing enables a GP to offer specific patients (at risk of developing Type 2 diabetes and other chronic illnesses associated with poor cardiovascular health) the option of an exercise plan to improve overall health. At present Public Health contract out an advisory service for patients that offers appointments in Libraries. GPs refer patients to this service offering fitness plan options to patients. Gym membership is offered but take up is low and attrition rates high. Cycling is an activity option offered by a specific service for families, but free Bikeshare membership for both leisure and travel is not currently offered for those without a bike.

Case Study: Glasgow Bikeshare Social inclusion project

Glasgow's Bikeshare scheme ran a social inclusion project called 'Bikes for all'. This joint grant funded project included the council, the operator (Nextbike), local cycling charities, Cycle trainer providers and the University. Participant recruitment targeted those on low incomes and those under-represented in cycling. All participants were referrals from health and social care with long term physical or mental health problems.

Between July 2017 and July 2019, 414 people joined. They received an annual membership of the Nextbike scheme for £3. The first 60 mins on any ride were free with a cost of 50p/hour after the first hour. Free cycling lessons and orientation rides were provided. Weekly sign-ups were required in person to retain the benefits. No bank account or phone app was needed.

A baseline survey had 189 responses, and the three month follow up just 81. 90% of Respondents after three months felt that the impact of participation had been positive on their cycling confidence. 95% reported positive impacts on their physical wellbeing, and 95% on their mental wellbeing.

Other impacts on modal shift or barriers to continuing cycling were less clear.