

# Brighton & Hove City Council

## Transport & Sustainability Committee

## Agenda Item 15

**Subject:** Cycle Hangars Review & Recommendations for Future Management

**Date of meeting:** 6<sup>th</sup> July 2023

**Report of:** Executive Director, Economy, Environment & Culture

**Contact Officer:** Name: Tracy Beverley  
Tel: 01273 293813  
Email: Tracy.beverley@brighton-hove.gov.uk

**Wards affected:** All

### 1. Purpose of the report and policy context

- 1.1 At a Full Council meeting on 15th December 2022, and at a subsequent Environment, Transport and Sustainability (ETS) committee meeting on 17th January 2023, a report was requested detailing all elements of the cycle hangar scheme including criteria used for the placement of cycle hangars. This report outlines the cycle hangar project history and sets out options and recommendations for the future management of the project.
- 1.2 The Local Cycling & Walking Infrastructure Plan (LCWIP) states that the council will provide secure on-street cycle parking in residential areas and at destinations. The aim of the cycle hangars project is to provide access to safe and affordable cycle storage and encourage modal shift in line with the Local Transport Plan (LTP) as well as the LCWIP.

### 2. Recommendations

- 2.1 That Committee agrees to note the report and existing installation programme to complete the Cycle Hangar Scheme.
- 2.2 That Committee agrees for officers to negotiate a further two-year contract to enable a full financial evaluation and preparation of a Business Case to enable determination of alternative delivery models. See section 4 for further details.
- 2.3 That Members agree for a further report to come back to this Committee updating on progress with the scheme and with full details of any further financial implications and proposals for going forward.

### 3. Context and background information

- 3.1 In line with the aims of the LCWIP and LTP, and by way of launching the cycle hangars project, a survey was carried out in 2021 to determine demand for cycle hangars and residents' preferred locations. There were over 2,000

responses from residents, resulting in requests for hangars on 525 roads across the city.

- 3.2 A scoring matrix was developed, using the criteria of the number of requests from the survey, the type of property (flat or house), cycle storage at the property, propensity to cycle and levels of cycle theft in the area. All 525 roads have been scored on the matrix.
- 3.3 A report was presented to The Procurement Advisory Board on 26th July 2021. This included the evaluation of the routes to market for the installation, management, and maintenance of cycle hangars. Subsequently, the NHS 'Cycle Parking and Infrastructure Framework' was approved for this procurement.
- 3.4 Following the procurement process, a contract with Falco UK Ltd was initiated via the NHS Shared Businesses Framework agreement. Falco UK Ltd were awarded a two-year contract on 1<sup>st</sup> April 2022 to supply, install, manage and maintain cycle hangars at identified sites in Brighton & Hove.
- 3.5 Each cycle hangar provides space for 6 standard sized bicycles. There are currently 71 cycle hangars installed, providing 426 secure cycle parking spaces. If all 150 are installed, this would provide a total of 900 spaces. The rollout of the cycle hangars was paused in Autumn 2022 following a review requested at Committee on 15<sup>th</sup> December 2022. This report was requested to provide detail on all elements of the cycle hanger scheme, including details of exact criteria used to implement cycle hangar placements.

### **Current Management & Maintenance**

- 3.6 BHCC currently have a two-year management and maintenance contract with Falco, which commenced on the 1<sup>st</sup> April 2022 and will run to the 31<sup>st</sup> March 2024. Under this contract Falco manage the 71 hangars installed to date, ensuring they are inspected every 6 months. Falco are also contracted to provide reactive maintenance if a fault is reported. Additionally, they are also storing 79 BHCC purchased hangars at their premises which can be installed if the recommendations in this report are approved. Falco are also managing an existing hangar and a large cycle cage in the city, installed by other suppliers. Both were part of previous cycle parking projects. These provide an additional 38 secure cycle parking places.
- 3.7 The management service of the contract provided by Falco includes the set-up costs and management of access to the hangars via an app or physical key. Any issues relating to these are currently dealt with by Falco.
- 3.8 The management and maintenance service provided by Falco is currently £20,000 per year over the 2-year contract duration, based on 100 cycle hangars. Subsequently a further 50 hangars were purchased at a cost of £221,888.
- 3.9 Falco receives the revenue from the spaces within the hangars that users pay for. This revenue is estimated to be currently £25,560 per year plus an additional £2,280 for the facilities covered in point 3.6.

- 3.10 'Ad-hoc' graffiti removal is not included in the Falco contract and is an additional project cost. This service is currently being provided by City Clean. To date £2,590 has been spent on graffiti removal.

### **Installed hangars, impact on Parking Revenue**

- 3.11 Following site assessments, most cycle hangars are installed in vehicle parking bays on the road. Only ten have been installed at locations other than vehicle parking bays. The Council's parking team have calculated that the 71 cycle hangars installed in 2022 incurred an estimated parking revenue loss of £20,000. If the remaining hangars already purchased by BHCC are installed an additional annual parking revenue loss is estimated to be £26,000 per year. This amounts to £46,000 annually from 2023/24 and future years.

## **4. Analysis and consideration of alternative options**

- 4.1 If officers did not proceed to implement the remaining cycle hangars, the council would need to terminate the contract with Falco resulting in a loss of approximately £306,560 for the uninstalled hangars. These have already been purchased. If the decision is not to go ahead and install these, there may be a possibility that officers can ask Falco to buy these back from the council, as they may be able to use them elsewhere.
- 4.2 The Council's current contract with Falco expires on the 31<sup>st</sup> March 2024, at which point the management and maintenance requirements for all cycle hangars expires.
- 4.3 Following initial discussions with Falco, we plan to negotiate a cost neutral management and maintenance contract subject to the installation of 150 cycle hangars. The rental income will go directly to Falco. This contract will need to be in place from the 1st April 2024, and will be subject to at least 100 cycle hangars out of the 150 being installed by then.
- 4.4 Under the newly negotiated contract, the council will be proposing that rental charges will be offered on an annual basis only and increased from £60 to £66 per year in 2024/25 and a further increase to £72 per space per year in 25/26. Falco would receive all of the revenue from rented spaces, which would cover all the costs for the management of the scheme, including website costs, administration costs, staffing costs and the license fees for the App used to access the hangars. The received revenue would also cover the twice-yearly planned maintenance visits, which include graffiti removal to each hangar and reactive maintenance costs for incidents less than the value of £499. (Costs over this amount are expected to be covered by the Council's insurance).
- 4.5 Once the cycle hangar programme is established at the end of the newly negotiated contract period proposed in this report, and a fully developed Business Case is developed, there may be an option to bring the maintenance and management 'in-house'.
- 4.6 An initial benchmarking exercise based on experience from The London Boroughs of Waltham Forest and Hackney has indicated that the potential revenue generated from managing cycle hangars in-house could cover costs

of future management and maintenance and may enable an annual income to be secured.

- 4.7 Further work is required to carry out a thorough assessment of the costs and bring forward a Business Case. Due to time pressures, this cannot be completed before the current maintenance contract with Falco terminates on 31<sup>st</sup> March 2024. Therefore, it is recommended that a new 2-year contract with Falco is negotiated, which will enable a thorough review of an in-house option to be carried out. If this is deemed suitable, mechanisms could be put in place to enable its implementation to coincide with the termination of the extended Falco contract on 31<sup>st</sup> March 2026.

## **5. Community engagement and consultation**

- 5.1 Over 2,000 residents responded to the survey noted in point 3.1. These locations were considered as part of the initial assessment process. The survey was widely published in the press, on social media and on the council website. All Ward Councillors were contacted and encouraged to circulate the survey link to their constituents.
- 5.2 All locations are discussed with internal officers and then Ward Councillors are contacted before the Traffic Regulation Orders (TROs) are advertised.
- 5.3 The TROs are advertised on the council website and in the local press and distributed to our Statutory Consultation list. This advertisement provides people with the opportunity to comment on the proposed locations of the cycle hangars. Residents that live within view of the proposed locations are sent letters with the details of the TROs and exact proposed locations of the hangars, which is not a legal requirement for the TRO process.
- 5.4 TROs are not required on footway locations, and in these cases only a section 115 of the Highways Act notice posted on the street is required. In addition, residents that live within view of the proposed locations are sent letters with the details and exact proposed locations of the hangars on footways etc. Comments and objections to these are considered in the same way as with TRO comments and objections.
- 5.5 If a particular location receives objections above the required threshold, the decision as to whether to install a cycle hangar there or not is made by the Environment, Transport & Sustainability (ETS) Committee. If objections to a particular hangar are below the required threshold, the hangar is usually installed, having considered all relevant comments and representations.
- 5.6 The majority of the 71 hangars that have so far been installed did not need to be discussed at the ETS Committee due to their objections being below the required threshold. However, 15 locations were discussed at the ETS Committee in November 2022.

## **6. Conclusion**

- 6.1 There is a high level of demand for spaces in the currently installed hangars, and they are all fully booked. There are also over 1,000 people on waiting lists for spaces in cycle hangars across the city.

- 6.2 To help meet the demand for secure cycle parking places, officers recommend that the initial scheme is completed. The remaining purchased 79 hangars should be installed to make up the 150 total as per the recommendations in section 2.
- 6.3 The current Management and Maintenance Contract with Falco ends on the 31<sup>st</sup> March 2024. To ensure continued Management & Maintenance, as a matter of urgency, it is proposed that a new two-year contract with Falco is negotiated.
- 6.4 Once the new two-year contract is in place, officers could carry out a detailed assessment of the benefits of establishing an in-house model as part of any Business Case and Financial Analysis of the scheme, to be presented to a future committee meeting.

## **7. Financial implications**

- 7.1 At Budget Council on 25th February 2021, the Council committed £0.500m Capital budget towards the implementation of cycle hangars across the city on a self-funding business case. A further £0.500m was also committed at the February 2022 Budget Council. The Capital project is funded through unsupported borrowings with both loan and interest charged to the Council's Capital Programme over the life of the asset, which is assumed to be 10 years based on other equipment acquisitions. This works out at approximately £0.120m per year.
- 7.2 Approximately £0.184m remains in the capital budget to support the installation of the remaining hangars and to provide project resources.
- 7.3 The approximate loss of income to the parking revenue is approximately £0.046m per annum for 150 cycle hangar installations. This figure is based on a review by the councils' parking team. This latest review accounted for potential income loss based on the income received from paid for parking and resident permits. It took into account the fact that some areas are underutilised, and loss of parking will not have an effect. The figure includes a 5% contingency to allow for parking price increases. All figures are estimated and based on the most expensive permits and vehicle categories.
- 7.4 If the decision was taken not to proceed with the installation of the remaining 79 hangars under the current contract, the financial implication would be a cost to the council of £0.307m for the remaining hangars that are currently held by Falco UK Ltd. This is based on the original agreement to supply and install 150 hangars by the end of March 2023. The £0.040m for the 2-year maintenance contract would still need to be paid for the maintenance of the existing 71 hangars, or a proportion of it negotiated to reflect less than 150 hangars being maintained.
- 7.5 Agreeing to negotiate a cost neutral contract extension with Falco would result in no or minimal operational and maintenance costs of the 150 hangars as the rental income would be collected by Falco to cover their costs. Borrowing charges for the capital project will need to be maintained within existing Transport Revenue budgets. Any significant variations to budget will be reported as part of the council's monthly budget monitoring process.

- 7.6 Recommendation 2.3 will update the committee on progress of the scheme as well as further financial implications is for noting, where preferred maintenance and management options will be determined and reported back to committee alongside further financial implications for alternative delivery models. The Business case and all options will also need to consider the ongoing unsupported borrowing payments from Council budgets.

Name of finance officer consulted: John Lack Date consulted: (26/06/23)

## **8. Legal implications**

- 8.1 The Highways Act 1980 permits local authorities to place objects or structures on a highway for the purposes of providing a service for the benefit of the public, or a section of the public.
- 8.2 The TRO process has its own statutory requirements and as such will be undertaken in accordance with those provisions when the attendant TROs are being considered.
- 8.3 If the decision is to break the current contractual agreement with Falco, there may be legal implications that would need to be addressed.

Name of lawyer consulted: Katie Kam Date consulted (19/05/23)

## **9. Equalities implications**

- 9.1 The Equalities Impact Assessment (EIA) for the cycle hangars project has been carried out and is attached in Appendix 1.
- 9.2 As part of the identification of potential locations for cycle hangars an evidence-based prioritisation process was undertaken to assess where there is the greatest need and the greatest benefit to residents. The process used datasets such as Indices of Multiple Deprivation Health and Disability.
- 9.3 Some of the cycle hangars will be provided with spaces for non-standard cycles (including those used by families, disabled users and others who need adapted cycles) to enable all users to access this provision.

## **10. Sustainability implications**

- 10.1 The scheme aligns to the city's development plan policy SA6 Sustainable Neighborhoods.
- 10.2 If the recommendation to install the remaining cycle hangars is not agreed by the committee, this may indicate that vehicle parking places are being prioritised over cycle parking places. This could be considered not to align to the Council's City Plan to deliver a sustainable city, and a transport network that ensures carbon neutrality by 2030.
- 10.3 The Falco cycle hangar units are powder coated using sustainable powder coatings.
- 10.4 Falco products are manufactured in their own 35,000m<sup>2</sup> production facility. This facility meets International Standards for Organisations (ISO) - ISO 9000

(Quality), ISO14001 (Environmental) and National Association of Corrosion Engineers (NACE) CO2 Level 3 standards.

- 10.5 The Falco cycle hangar units come with a 10-year warranty and can be recycled.

## **11. Other Implications**

### **Social Value and procurement implications**

- 11.1 A procurement process was undertaken to find a suitable supplier for the cycle hangars and approved by the Procurement Advisory Board on 26th July 2021.
- 11.2 The contract with Falco includes a social value offering. This may be in jeopardy if the contract is not completed for any reason.

### **Crime & disorder implications:**

- 11.3 There's potential for criminal damage and graffiti to the cycle hangars. This has so far been minimal and not reported to police. Officers will continue to monitor this.

### **Public health implications:**

- 11.4 Supporting and encouraging people to own and use a bicycle could help the city to be a healthy and caring place; one where healthy life expectancy is increasing through the promotion of physical activity and health inequalities are reducing.

## **Supporting Documentation**

### **1. Appendices**

1. Appendix 1 – Cycle hangars Equalities Impact Assessment.

### **2. Background documents**

1. Procurement Advisory Report
2. ETS Committee Report November 2022  
[Brighton & Hove City Council - Agenda for Environment, Transport & Sustainability Committee on Tuesday, 15th November, 2022, 4.00pm \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk/Agenda/Agenda-Item/2022/11/15/15-11-2022-4-00pm)

