



Reading
Borough Council
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DECISION BOOK

Issue: 640 Date: 17 SEPTEMBER 2021

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - <https://democracy.reading.gov.uk/mgListOfficerDecisions.aspx?bcr=1&BAM=0>

The officer reports accompanying the decisions are attached.

Contact:	Richard Woodford	Committee Services
Tel:		0118 937 2332
e-mail:		richard.woodford@reading.gov.uk

DECISION BOOK - ISSUE 640 - 17 SEPTEMBER 2021

1. DONATION OF READYBIKES TO SMALL LOCAL TOWN CENTRE BUSINESSES

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1. DONATION OF READYBIKES TO SMALL LOCAL TOWN CENTRE BUSINESSES	COUNCILLOR PAGE	BOROUGHWIDE	1

This report sets out the decision to donate up to 50 bikes to small town centre businesses in Reading.

It is the decision of the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, to donate, at no cost, up to 50 ReadyBikes to small local town centre businesses to aid the post pandemic recovery in Reading.

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

LEAD COUNCILLOR:	COUNCILLOR TONY PAGE		
DATE:	17 SEPTEMBER 2021		
TITLE:	DONATION OF READYBIKES TO SMALL LOCAL TOWN CENTRE BUSINESSES		
SERVICE:	PLANNING, TRANSPORT AND REGULATORY SERVICES	WARDS:	BOROUGHWIDE
AUTHOR:	LILIAN GREEN	TEL:	0118 937 3653
JOB TITLE:	TRANSPORT PLANNER	E-MAIL:	LILIAN.GREEN@READING.GOV.UK

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision to donate up to 50 bikes to small town centre businesses in Reading
- 1.2 Reading previously had a successful cycle hire scheme ReadyBike, with 200 bikes and 29 docking stations that operated in the years 2014-2019 by Hourbike. The scheme stopped operating in March 2019 when it became non-profitable to operate commercially without a Council subsidy.
- 1.3 Since 2019, approximately 150 bikes in a variety of conditions have been kept in storage on Council land. These bikes have been offered to key workers in Reading as part of a short-term loan scheme during the current pandemic.
- 1.4 In March 2021, a decision was approved by the council to donate up to 50 bikes to local hotels in Reading to aid the post pandemic recovery in Reading. To date 26 bikes have been donated to 4 local hotels.
- 2 This decision is to donate, at no cost, **up to 50 ReadyBikes to small local town centre businesses** to aid the post pandemic recovery in Reading.

2. DECISION

- 2.1 It is the decision of the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, to donate, at no cost, up to 50 ReadyBikes to small local town centre businesses to aid the post pandemic recovery in Reading.

3. POLICY CONTEXT

- 3.1 The Local Transport Plan (LTP) is a statutory document setting out the Council's transport strategy and policy. Reading Borough Council's fourth Local Transport Plan (LTP4), also known as the Reading Transport Strategy, for the period 2020-36 is due to be adopted by the Council in 2021.
- 3.2 Reading's joint Local Cycling and Walking Infrastructure Plan (2020-2030), developed with West Berkshire Council and Wokingham Borough Council, is a sub-strategy to the Reading Transport Strategy. This Plan sets out the Councils aspirations for cycling and walking across the wider Reading urban area over the next 10 years.
- 3.3 Encouraging cycling is one of the deliverables within the Council's Corporate Plan 2021-22 and Thames Valley Berkshire LEP's Strategic Economic Plan 2016-21.

4 THE PROPOSAL

- 4.1 The proposal is to donate **up to 50 ReadyBikes to small local town centre businesses** to aid the post pandemic recovery in Reading. Donating the ReadyBikes to small local businesses in Reading will benefit their owners, their staff, clients and the community as a whole. Benefits are related to the recovery from the pandemic including enabling full social distancing whilst relieving pressure on public transport services.
- 4.2 Small town centre business owners in Reading have suffered a significant loss of income during the pandemic as a result of full lockdowns and government restrictions resulting in large reduction in activity in Reading town centre (due to all non-essential shops shut, and people working from home). Small town centre businesses have relatively limited financial resources and are less immune to the pandemic's effects.
- 4.3 This initiative will support small local town centre business owners in their recovery and their adaptation to the future.
- 4.4 Other benefits will support small local town centre business owner's staff and clients and are also part of wider objectives included in the Council's current Local Transport Plan, which include:
 - Offering small businesses bikes for their staff and clients, will encourage more active travel resulting in improving their overall health & wellbeing.
 - Cycling will improve accessibility to the local businesses in the town centre and reduce the journey times to local places for their staff and clients. This will improve their experience in the town.
 - Cycling will provide an affordable option of accessible travel to the business staff and clients.
 - As an alternative to travelling by car or public transport, cycling will result in less or no emissions and improve the air quality in Reading.
 - Cycling will relieve pressure on public transport services and reduce car usage and overall traffic congestion in Reading.

- Providing the local business staff and clients with an opportunity to cycle for free and see the benefits of cycling, will encourage them to cycle in the future.
- 4.5 The Council has approximately 150 bikes in a variety of conditions in storage. These bikes were all part of a cycle hire scheme that operated in Reading between June 2014 and March 2019 under the name ReadyBike.
- 4.6 The scheme consisted of 200 bikes with 29 docking stations. The scheme provided a network of readily accessible bikes at key local destinations including education, retail, employment hubs, transport interchanges and areas of high-density housing.
- 4.7 ReadyBike was used successfully in Reading. The scheme usage from 2014 until April 2019 was 109,468 rents, 19,229 subscriptions to the scheme, average rentals per person 10, average rental length 32 minutes and total distance cycled 483,460 miles (based on 8mph average speed). Rentals by time of day on weekday show a high peak time usage, between 7 and 8 in the morning and 5-7pm in the evening.
- 4.8 A key number of flows of ReadyBike trips emerged throughout the operation of the scheme, including from Reading Station to major areas of employment (including Thames Valley Park), from the University to the town centre, internal trips within Whiteknights Campus, between Caversham centre and town centre and leisure trips within and around Palmar Park.
- 4.9 The top 10 rented docking stations from the beginning of the scheme were Reading Station South, Reading Station North, Christchurch Green, Bridge Street, Kennet Island, Broad Street, Caversham Centre, Oracle Riverside and the Royal Berkshire Hospital.
- 4.10 The scheme itself was developed as part of the Local Sustainable Transport Fund (LSTF) programme funded by the Department for Transport and was launched in June 2014. Hourbike Limited was appointed to install, manage and maintain the cycle hire scheme, initially with an annual scheme subsidy funded by the LSTF programme. Unfortunately, Hourbike Limited were unable to operate the scheme beyond 31st March 2019 on a commercial basis and therefore the scheme stopped operating.
- 4.11 Bike technology has changed significantly since the introduction of ReadyBike. Peddle bikes today are smart (with a computer inside) with GPS and make use of a geofencing system that allows controlling where the bikes can be parked. They are also much lighter in weight. The new generation of bikes are easier for the user to locate, pay, unlock, ride, park and lock. They are also easier for the operator to maintain and address vandalism.
- 4.12 There is also a noticeable demand for e-bikes as they appeal to a wider demographic can be used for traveling further and for the first and last mile. E-bikes are more profitable rentals though more expensive to purchase and maintain.
- 4.13 The potential to introduce a new public cycle hire scheme in Reading is currently under review. Feedback from potential future operators of schemes suggests that the existing bikes would not be suitable for this purpose. In addition, establishing a new cycle hire scheme in Reading will require a large investment in both capital funding and on-going revenue support to make it successful.

- 4.14 In March 2021, a decision was approved by the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, to donate, at no cost, up to 50 ReadyBikes to local hotels to aid the post pandemic recovery in Reading.
- 4.15 A total of 26 ReadyBike have been donated to date to the four hotels in Reading: The Roseate Reading, ibis Reading Centre, Premier Suites Reading and Novotel Reading Centre. The donation was greatly appreciated by the hotel owners.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 Donating the bikes to small town centre businesses in Reading supports the following Corporate Plan priorities:
- Securing the economic success of Reading
 - Protecting and enhancing the lives of vulnerable adults and children
 - Keeping Reading's environment clean, green and safe and
 - Promoting health, education, culture & wellbeing

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019. The climate emergency declaration explicitly recognises that the ambitious target of net zero by 2030. Reading Climate Change emergency strategy 2020 -2025 identifies the areas where substantial policy changes are required to achieve this ambitious target. One of the areas is 'support for cycling walking and public transport'. Donating the bikes to small local businesses supports cycling, a mode of travel that has zero carbon emissions to the environment and is used instead of cars or a public transport.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 Not applicable to this decision.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 The Council has reviewed the scope of the proposals as outlined within this report and considers that the proposals have no direct impact on any groups with protected characteristics.

9. LEGAL IMPLICATIONS

- 9.1 There is a direct legal implication resulting from the decision. As the bikes are to be donated to the small local businesses free of charge the UK's subsidy control regime has to be considered which replaced EU state aid regulations on 1st January 2021. Under the current rules of the subsidy control regime the Council needs to consider whether the donation of the bikes is a subsidy to private companies. It is considered such donation being of such low value to each business is likely to be deemed an exemption under the regime. See Appendix 1.
- 9.2 The transfer of the bikes to the local business will be without any ongoing obligations for maintenance or disposal. The Council and each small business owner will enter into a form of agreement to confirm the business takes the bikes in the condition they are in and the Council has no responsibility for this, any ongoing maintenance or use of the bikes, a form of 'sold as seen' principle. This will include a requirement

for the business to remove the existing branding (and any associated sponsorship) prior to their use of the bikes.

10. FINANCIAL IMPLICATIONS

- 10.1 Each bike is valued under £100, based on their age, condition and weight. As set out in 4.13 the bikes are not commercially viable and therefore could not be recycled into any new scheme. Private buyers are unlikely to purchase the bikes as modern second-hand alternatives are available at a similar price point.
- 10.2 The cost therefore of the donation is up to £5,000, although this is an amount that is unlikely to be achieved in reality due to more modern alternatives being available.

11. BACKGROUND PAPERS

- 11.1 Appendix 1: The UK's subsidy control regime.

Appendix 1

By donating the bikes to private organisations the Council has to consider the UK's subsidy control regime and whether the donation is legally compliant under the regime. The subsidy control regime has replaced the EU state aid legislation from 1st January 2021.

The definition of a subsidy is:

Direct transfer of funds such as direct grants, loans or loan guarantees
The foregoing of revenue that is otherwise due; or
The provision of goods or services, or the purchase of goods or services

Confers an economic advantage on one or more economic actors (entities offering goods or services on a market).

Is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services.

Has or could have an effect on trade or investment between the parties.

Applying the above definition to the donation of the bikes (provision of goods) to the private organisations does trigger some of the provisions, by donating the bikes free of charge it is conferring an economic advantage on one or more economic actors and is benefitting those economic actors over other in relation to their services.

The bikes are valued at below £100 each and a maximum of 50 are being donated across a number of different private organisations. The total value of the donation is approximately £5k therefore the value of the donation to each private organisation is less than this.

When giving a subsidy there are 6 principles we need to consider being:

Subsidy Control Principle
1. The subsidy pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective").
2. The subsidy is proportionate and limited to what is necessary to achieve the objective.
3. The subsidy is designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of the subsidy being provided.
4. The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.
5. The subsidy is an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.

6. The subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the material effect on trade or investment between the Parties.

Or alternatively we need to consider whether the subsidy is exempt from the above principles and falls within one of the following exemptions:

Under Article 3.4, no requirement to apply the common principles to measures:

- To compensate the damage caused by natural disasters or other exceptional noneconomic occurrences;
- Subsidies of a social character targeted at final consumers;
- Where the total amount of support is under 325,000 Special Drawing Rights (c.£345k) over a 3 year period; and
- Directed to the Audio-Visual Sector and aspects of farming and fishing.

Given the low value of the bikes and that approximately £5k of donation will be shared across several private organisations I believe the Council could apply the exemption of the total amount of support being under £345k over a 3 year period.

Within the agreement we will enter into with each private organisation we will ask them to sign a declaration to confirm they will not exceed the level of assistance over the 3 year period.