

Appendix 6 – Case Study – Liverpool City Council In House Bikeshare service

After an initial period with an external operator, Liverpool City Council brought the operational side of its Bikeshare scheme in house. The scheme was struggling during 2019 and was down to 350 bikes. No ongoing capital input was in place so the fleet was gradually reducing.

The in house model adopted was not cost neutral and has been losing money for the city. Two officers (one technician and a Walking & Cycling officer) are expected to cover the workload. Additional costs include storage and maintenance leases.

The operating system provider is contracted directly to the council. Repair, maintenance and redistribution functions are contracted out with Hourbike, which is also the operator of the BTN Bikeshare.

There is no dedicated customer help desk but the council's general Help desk deals with general enquiries. All the work around refunds and charges goes through to the officer contacts. On one occasion, glitches with the system triggered a deluge of enquiries which took officers who have other tasks three days to clear.

The Council's finance team supports the payment of invoices and accounting records with a further staff cost implication. The scheme has no sponsor and no promotion or marketing takes place as the Council's Communications team has no spare capacity. Officers estimate this would require one FTE post at least.

Liverpool launched a procurement exercise in January 2020 with partner authorities across the City region for a concession contract arrangement. The council recognises that any new operator will expect the council to provide an initial capital outlay. The city was successful in a bid for the Transforming Cities fund. Officers say this is a possible route for new capital investment but there are many calls on this fund.

However, following the Covid-19 crisis the Council has made the decision to keep the scheme in house for another year and are hoping to add a further 100 bikes to the current fleet.

