

Report of: Executive Member for Environment and Transport

Meeting of:	Date	Ward(s)
Executive	19 October 17	All

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APPENDIX 1 TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Providing Bike Hangars as an iCo service

1. Synopsis

- 1.1 With London cycling levels increasing year on year, there is a growing need for domestic cycle parking. Combined with the high cost of housing, Londoners are more often living in smaller, shared accommodation and have less space to keep their bikes safe and in good condition indoors. One solution has been the use of secure on-street cycle parking, in the form of bike hangars, which are now deployed in many London boroughs such as Waltham Forest, Hackney and Lambeth.
- 1.2 Currently the suppliers of the bike hangars manage the schemes for all local authorities who have bike hangars installed, which involves additional costs for the local authorities.
- 1.3 Local demand is strong and we currently have a waiting list of more than 600 residents. The Council invested capital funds in a pilot scheme with hangars supplied by Cycle Hoops, installed at two locations, Crayford Road and Hanley Road. Residents pay a key deposit and an annual fee to the Council to secure a space in the hangars. Both of the pilot hangars have been fully occupied since installation.
- 1.4 It is proposed that the management of bike hangars is carried out through the Council's trading company, iCo (Islington Ltd). This will enable better value to be generated for the Council and for residents. It would also allow the service to expand into other boroughs. However, at present, bike hangars is not a business area iCo is authorised to trade in under its Articles of Association. Shareholder agreement is required to amend the Articles of Association to incorporate services related to the provision of cycle hangars and cycle parking.

2. Recommendations

- 2.1 As the Council is the sole shareholder of iCo, to approve the amendment to the Articles of Association 3.5, as set out in paragraph 3.3 below.
- 2.2 To agree that the appended special resolution giving effect to the decision be signed and submitted to Companies House.

3. Background

iCo Governance

- 3.1 iCo is the Council's commercial trading company, which has been established to generate income for the Council to help protect essential services. The company trades a limited number of services on a commercial basis and is seeking to increase the range of services it provides in order to generate additional income.
- 3.2 Article 3.5 of iCo's Articles of Association stipulates that shareholder approval is required to undertake any business other than business relating to:
 - i. Consultancy services related to technical, professional and/or specialist knowledge, skills and /or expertise;
 - ii. Operational services related to grounds maintenance, metalwork fitters' services and infrastructure repairs;
 - iii. Waste services provided to commercial organisations and to non-commercial organisations other than Islington Council;
 - iv. Sale of memorials related to cemetery services;
 - v. Activities related to the buying, selling, renting and/or management of properties, including properties that are sold to or transferred to the Company by Islington Council; and
 - vi. A business not covered by 3.5.i to 3.5.v above where the aggregate value of the traded business is below £10,000 per annum and in any event no more than £30,000 over 3 years.

- 3.3 It is proposed to amend Article 3.5 to allow iCo to undertake business related to:

'the provision and management of cycle hangars and associated activities'

- 3.4 Amendments to the company's Articles of Association must be submitted to Companies House within 15 days of them being agreed.

Bike Hangars

- 3.5 Islington's corporate plan 2015-2019 sets out a clear vision "to make Islington fairer and create a place where everyone, whatever their background, has the same opportunity to reach their potential and enjoy a good quality of life".
- 3.6 One of the key priorities is focused on making Islington a place where our residents have a good quality of life, and the introduction of a bike hangar scheme contributes towards this priority by enabling residents to apply and secure access to bike hangar spaces, which will encourage more physical activity amongst residents and lead to healthier lifestyles.
- 3.7 The Council's strategic policies, including the Air Quality Strategy, promote the uptake of more sustainable travel by residents and visitors in the borough to help improve local air quality. The bike hangar scheme will contribute to improved local air quality and may influence behaviour towards more sustainable modes of transport.
- 3.8 By taking on the management and maintenance of the hangars the Council could also secure an income stream. Rental of cycle parking places will be managed through our on-line booking system, with a clearly defined customer charter and booking process.

- 3.9 A business case has been prepared which details the proposal to provide and manage the cycle hangars on a basis that will provide better value for money for the Council. It will also open opportunities for generating additional income through selling these services to other local authorities.
- 3.10 The business case for the bike hangars proposal is set out at Exempt Appendix 1.

4. Implications

4.1 Financial implications:

- 4.2 The introduction of the bike hangars does not commit any of the Council's financial resources. The proposal is for management of bike hangars to be carried out through the Council's trading company, iCo (Islington Ltd). This will enable better value to be secured for the Council and would allow for the service to expand into other boroughs. There may be a reduction in income within the parking account if the locations of the cycle hangers lead to loss of parking bays.

4.3 Legal implications:

- 4.4 Section 32 of the Road Traffic Regulation Act 1984 (RTRA) enables the Council to make an order providing on street parking places for vehicles. This power extends to providing, in roads or elsewhere, stands or racks for, or devices for securing, bicycles. (section 63 of the 1984 Act).
- 4.5 The Council when designating parking spaces on the highway and setting any appropriate charges for these spaces must exercise their powers in accordance with the factors set out in section 122 of the 1984 Act. This should not be for the purpose of raising revenue, although the setting of any charges that result in a surplus being made is not in itself unlawful
- 4.6 The proposals in this report meet the requirements of the Network Management Duty as set out in section 16 of the Traffic Management Act 2004. In particular, by encouraging cycling, the Council will be taking action to reduce other vehicular use.
- 4.7 The supply installation and maintenance of the cycle hangars will need to be procured in accordance with the Council's Procurement Rules and the Public Contracts Regulations 2015
- 4.8 The Council may do for a commercial purpose anything which they are authorised to do for the purpose of carrying on any of their ordinary functions (section 95, Local Government Act 2003), subject to any conditions or restrictions imposed on ordinary functions. This means that the conduct of this activity within the borough of Islington and outside Islington with other local authorities is subject to the restrictions imposed by the RTRA set out at 4.5 above.
- 4.9 The exercise of the trading power under section 95 requires the activity to be conducted by a company
- 4.10 The legal position in relation to the governance requirements of iCo is as set out at paragraphs 3.1 & 3.2 above.

4.11 Environmental implications:

- 4.12 The provision of bike hangers will support sustainable modes of transport and help improve local air quality.

4.13 Resident Impact Assessment:

- 4.14 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment has been completed. The resident impact assessment for those with protected characteristics has identified no negative impacts, however socio-economic impacts via the fee may impact residents on low incomes. An evaluation of the charging structure will be completed should the charges be identified as a barrier for residents on low incomes.

5. Reason for recommendations

Allowing iCo to provide and manage cycle hangars will assist in securing better value for the Council and provide a service to residents. To allow the service to trade through iCo, the Council as shareholder is required to amend the company's Articles of Association to incorporate the service.

Appendices

- Exempt Appendix 1 – Business Case for Cycle Hangers
- Appendix 2 – Special Resolution to be signed

Background papers:

- None

Final report clearance:

Signed by:



11 October 2017

Executive Member for Environment and Transport Date

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