



Notice of meeting of

Executive

To:	Councillors Waller (Chair), Ayre, Steve Galloway, Moore, Morley, Reid and Runciman
Date:	Tuesday, 2 March 2010
Time:	2.00 pm
Venue:	The Guildhall

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 1 March 2010, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 4 March 2010, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

2. Minutes (Pages 3 - 18)

To approve and sign the minutes of the Executive meeting held on 16 February 2010.

3. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or a matter within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 1 March 2010**.

4. Executive Forward Plan (Pages 19 - 24)

To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

5. Lendal Bridge Hub Station (Pages 25 - 80)

The report provides an update on the progress made towards converting the former electricity sub station at Lendal Bridge to a secure cycle park, and seeks approval to release funds for the project from the capital programme and to make a supplementary loan to enable the scheme to proceed.

6. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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- find out about the rules for public speaking from the Democracy Officer.

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Further information about what's being discussed at this meeting

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
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City of York Council

Committee Minutes

MEETING	EXECUTIVE
DATE	16 FEBRUARY 2010
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY, REID AND RUNCIMAN
IN ATTENDANCE	COUNCILLOR ALEXANDER

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**151. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr Morley declared a personal interest in the budget proposals should any discussion arise in respect of allotments, as the keeper of an allotment, and a prejudicial interest should any discussion arise in respect of sharing care for children, being involved in an approved arrangement for sharing care.

Cllr Galloway declared a personal interest in the budget proposals should any discussion arise in respect of concessionary bus travel, as a holder of a bus pass.

152. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 2 February 2010 be approved and signed by the Chair as a correct record.

153. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that four members of the public had registered to speak at the meeting under the Council's Public Participation Scheme, all in relation to the proposals set out in agenda item 14 (Financial Strategy 2010-2016). Requests to speak on this item had also been received from two UNISON representatives and two elected Members.

Bruce Cole spoke in respect of the proposed cuts to the Arts Service (savings proposal CS11). Although he was aware of the revised proposal for the funding of the service to be taken over by the schools, he remained concerned about the potential fragmentation of the service and the loss of the strong, centralised management and sense of strategy which had contributed to its success and high reputation.

Dr Liz Mellor, of York St John University, also commented on the proposed cuts to the Arts Service. She highlighted the strength of popular feeling in favour of the service and the potential impact upon individuals and the community of any cuts to the service, which was crucial to supporting the delivery of arts in schools. She handed in a petition against the cuts.

Malcolm Dewhirst spoke on the proposal to remove maintenance support from self-managed bowling greens and croquet facilities at Scarcroft Green and the Retreat (savings proposal LS09). He urged Members to reject the proposal, which would make only a small saving and would jeopardise a facility that meant a great deal to local people and helped residents to enjoy a healthy lifestyle.

Nick Love spoke in support of the proposals to increase funding for adult social care and looked after children, both of which were crucial service areas.

Peter Weck, of UNISON thanked Members for their revised proposal to remove savings proposal CEXES16 (deletion of a Democracy Officer post).

Heather Mackenzie, of UNISON, spoke in relation to a number of savings proposals that would have an impact on staffing and services across the authority; in particular, cuts within young people's services, the Library Service re-structure, the reduction of a Consumer Advice post within Trading Standards and the removal of the training team in Housing & Adult Social Services.

Cllr Sonia Crisp commented on the comments made on the budget at the Social Inclusion Working Group (SIWG) meeting on 28 January 2010, as set out in Annex 11 to agenda item 14. She expressed concern and disappointment at the circumstances in which the comments had been made, the manner in which the meeting had been conducted and the fact that the Executive proposed to take into account such a flawed and inadequate consultation.

Cllr Julie Gunnell also spoke about the comments made by SIWG, expressing a similar view to Cllr Crisp. She went on to support Mr Dewhirst's comments on the proposal to withdraw maintenance support from the bowling green at Scarcroft.

154. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were listed on the Forward Plan for the next two Executive meetings at the time the agenda was published.

155. 10:10 CAMPAIGN AND SUSTAINABILITY UPDATE

Members considered a report prepared in response to a motion approved by Council in October 2009, signing up to the national 10:10 campaign.

The report also provided updates on some of the major projects being carried out across York with the Sustainability team.

RESOLVED: That consideration of the report be deferred.¹

REASON: To allow Officers time to further refine the proposed list of projects and incorporate any changes arising from the budget proposals.

Action Required

1. Re-schedule report on Forward Plan for a future Executive meeting MS

156. COMMUNITY STADIUM - UPDATE REPORT

Members considered a report which provided an update on the progress of the Community Stadium project.

It was reported that the project was on track and that options to take it forward would be brought to the Executive by July 2010. The feasibility work was currently being finalised and a range of options were being tested. Development appraisals for the most appropriate sites and uses were under way. The feasibility work had identified an opportunity to lever in significant funds from commercial development, which could provide the funding required to deliver the stadium, the wider community benefits and the future of the City's professional sports clubs.

Details of progress on the key strands of work undertaken since June 2009 were attached as Annex 1 to the report. It was not possible at this stage to provide specific details regarding sites, costs and uses as this might jeopardise the interests of the Council and its partners, as well as the successful delivery of the project.

RESOLVED: (i) That the progress made to date on the Community Stadium Project be noted.

(ii) That approval be given to continue with the detailed feasibility work and preparation of the business case and to further explore potential partnerships to achieve wider community benefits.

(iii) That a report summarising the business case for the project be brought to the Executive by July 2010.¹

REASON: To ensure that Members are kept informed and updated on the progress of the project.

Action Required

1. Schedule business case summary report on Forward Plan for Executive meeting in July TA

157. REVIEW OF DISCRETIONARY CONCESSIONS PROVISION AND THE INTRODUCTION OF A "TAXICARD" FOR DISABLED YORK RESIDENTS

Members considered a report prepared in response to their request, made at the Executive meeting on 20 January 2009, to explore the possibility of introducing an electronic, stored value taxi-card to replace the national transport tokens issued to disabled residents.

The report outlined the costs and implications of introducing a taxi-card and presented the following options for consideration:

Option 1 – replace the provision of national transport tokens with a stored value taxi-card and allow officers to conduct a tendering exercise, working with the taxi industry and disability group representatives to deliver best value and a product fit for purpose.

Option 2 – withdraw the provision of an alternative concession to the bus pass.

Option 3 – retain the existing arrangement for distribution of national transport tokens.

Option 1 was recommended, on the basis that this was considered the best way to ensure that eligible residents would benefit as intended from the Council's travel concessions expenditure, at a comparable cost to the current token scheme. Informal meetings had been held with the two principal suppliers of taxi cards in the UK, to understand the functionality of the product and the timescales for its introduction. Consultation had taken place with the Taxi Licensing team and the York Action Group and a meeting had been held with private hire and hackney cab operators to understand their concerns about the proposed scheme. Responses to questions posed at this meeting were detailed in Annex A to the report.

RESOLVED: (i) That the contents of the report be noted.

(ii) That approval be given to progress Option 1 and to replace the provision of national transport tokens for eligible disabled people with a stored value taxi-card.¹

(iii) That the new level of the concession be set at £55 per annum when the taxi-card is introduced.

REASON: To deliver an alternative concession to the English National Concessionary Travel Scheme (ENTS) for those who for reasons of disability cannot use the bus, which will deliver the best value and be fit for purpose.

Action Required

1. Take action to progress the introduction of taxi card scheme with concession level of £55 pa

AB

158. COMMENTS FROM THE HEALTH OVERVIEW & SCRUTINY COMMITTEE REGARDING THE REFERRAL FROM THE EXECUTIVE ON OVERSPENDS IN ADULT SOCIAL SERVICES

Members considered a report which detailed the comments of the Health Overview & Scrutiny Committee on the overspends in Adult Social Services.

The matter had been referred to the Scrutiny Committee by the Executive on 22 September 2009, following receipt of the First Performance and Financial Monitor for 2009/10. A report outlining the reasons for the overspends had been presented to the Committee on 13 January 2010, together with further information provided by Officers. The Committee had decided to forward that report to the Executive, noting that they were unable to make any comments on savings at this point in view of the potential impact of savings options on residents in the City. Furthermore, the failure of the Executive Member to attend the meeting had meant they were unable to question him on this. Further discussion had since taken place at the Executive Member Decision Session on 26 January 2010, when the Executive Member had noted, and expressed his own opinion on, the Committee's comments.

Details of the context of the referral to the Scrutiny Committee were attached at Annex A to the report and the original report to the Scrutiny Committee was attached at Annex B. The Chair of the Committee, Cllr Alexander, was in attendance to present the Committee's comments and respond to Members' questions. He expressed the view that the Committee had carried out what was required of it, in accordance with its interpretation of the Executive's request.

RESOLVED: That the Executive notes:

- The partisan way in which the referral has been handled by part of the Council's Scrutiny process;
- The increasing frustration amongst many councillors in not having the same opportunity to make comments in pre-decision scrutiny following the abolition of the Executive Member and Advisory Panel meetings;
- That there are no proposals for changes of Council policy to address the situation from the Scrutiny committee.

REASON: In response to the comments provided by the Health Overview & Scrutiny Committee.

159. THIRD PERFORMANCE AND FINANCIAL MONITOR FOR 2009-10

Members considered a report which provided details of the headline performance issues from the third performance monitor of 2009/10, covering the period 1 April to 31 December 2009.

With regard to performance, 53% of those National Performance Indicators (NPIs) with data available were improving, with 58% on track to hit their 2009-10 target. 59% of LAA indicators with data available were improving

and on track to hit their 2009-10 target. Areas of poor performance were being reviewed and benchmarked for improvement, with action being taken where appropriate. 78% of milestone actions in the Corporate Strategy were either completed or on track to hit their deadline. Of the 54 actions, two were unlikely to be completed in 2009-10.

With regard to finance (service and corporate budgets), financial pressures of £2,333k were currently identified in 2009-10. Extensive action continued to be undertaken by all directorates to contain the extent of any potential overspend. Due to a change in the funding of part of the capital programme, from a direct revenue contribution in Learning Culture & Children's Services (LCCS) to Prudential Borrowing, approval was sought to vire £124k from LCCS to Treasury Management.

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action can be taken on these issues by Members and directorates.

(ii) That the finance issues identified in the report be noted; in particular:

- The significant pressures arising due to the economic recession and the social care costs that are still evident across the Council.
- The requirement for growth as part of the 2010-11 Revenue Budget to build sufficient financial capacity for such areas.
- The work already undertaken within directorates to contain financial pressures.
- That work continues to identify and implement options to contain spending within budget by the end of the financial year.

REASON: So that the Council's expenditure can be contained within budget, where possible, by the end of the financial year.

(iii) That approval be given for a virement of £124k from Learning Culture & Children's Services to Treasury Management.¹

REASON: In accordance with Financial Regulations and to enable appropriate financing of the Council's capital programme.

Action Required

1. Implement the virement from LCCS to Treasury Management, as approved

JL

160. CAPITAL PROGRAMME MONITOR 3

[See also under Part B Minutes]

Members considered a report which presented the likely out-turn position of the 2009/10 Capital Programme, based upon information up to mid January 2010, and sought approval for changes to the programme and slippage of funding where required.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £67.379m, financed by £35.737m of external funding and £31.642m of internal funding. Against this an out-turn of £62.927m was predicted, representing a net decrease of £4.423m made up of:

- Adjustments to schemes, increasing expenditure by £0.105m
- The re-profiling of budgets from 2009/10 to future years of £4.528m.

Variances reported against each portfolio area were set out in Table 2 at paragraph 5 of the report.

Key outcomes of the programme, and progress to date on major schemes, were detailed in paragraph 7 of the report. Key exceptions and implications on the programme were summarised in paragraphs 9 to 33. Approval was sought to use £128k from contingency to part fund the expenditure incurred in relation to the Peaseholme Improvements works, as detailed in paragraphs 35-36.

RESOLVED: (i) That the 2009/10 revised budget of £62.956m, as set out in paragraph 5 of the report and Table 2, be noted.

(ii) That the slippage of £4.528m from 2009/10 to 2010/11 be noted.

(iii) That the use of £128 from the contingency fund in respect of the Peaseholme Improvements works be approved.¹

(iv) That the re-stated capital programme for 2009/10 to 2013/14, as set out in paragraph 43, Table 13, and detailed in Annex A, be noted.

REASON: To enable the effective management and monitoring of the Council's capital programme.

Action Required

1. Take action to implement use of contingency for Peaseholme improvements, as approved

RB

161. TREASURY MANAGEMENT MONITOR 3 AND PRUDENTIAL INDICATORS 09/10

Members considered a report which provided an update on the Treasury Management performance for the period 1 April 2009 to 31 December 2009, as compared against the budget presented to Full Council on 21 February 2009.

The report reviewed performance in respect of short term investments, long term borrowing, the Venture Fund and the Treasury Management Budget, in the context of the economic environment for the first nine months of the 2009/10 financial year. It was highlighted that:

- The third quarter of the financial year had seen signs that the economy was exiting recession, as well as some improvements in the labour market and the housing market.
- In respect of short term investments, the in-house team was forecast to achieve a net trading surplus of £959k in 2009/10, equivalent to a return of 2.21%.
- The Capital Financing Requirement for 2009/10 was £118.9m, which gave a borrowing requirement of £21.1m – higher than originally expected due to capital receipts not being realised.
- Since the Administrative Accommodation project would substantially increase the need to borrow over the next three years, the markets would be closely monitored to ensure advantage was taken of favourable rates in 2009/10.
- Total loan advances on the Venture Fund stood at £785k, including £650k for the [easy@york](#) programme.
- The projected out-turn on the Treasury Management budget was £9,110k, resulting in a projected overspend of £429k (£100k less than the Monitor 2 projection).

RESOLVED: (i) That the performance of the Treasury Management activity be noted.

(ii) That the projected reduction in overspend on the Treasury Management budget, to a figure of £429k, be noted.

REASON: To ensure the continued performance of the Council's Treasury Management function.

PART B - MATTERS REFERRED TO COUNCIL

162. CAPITAL PROGRAMME MONITOR 3

[See also under Part A Minutes]

Members considered a report which presented the likely out-turn position of the 2009/10 Capital Programme, based upon information up to mid January 2010, and sought approval for changes to the programme and slippage of funding, where required.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £67.379m, financed by £35.737m of external funding and £31.642m of internal funding. Against this an out-turn of £62.927m was predicted, representing a net decrease of £4.423m made up of:

- Adjustments to schemes, increasing expenditure by £0.105m
- The re-profiling of budgets from 2009/10 to future years of £4.528m.

Variances reported against each portfolio area were set out in Table 2 at paragraph 5 of the report.

Key outcomes of the programme, and progress to date on major schemes, were detailed in paragraph 7 of the report. Key exceptions and implications on the programme were summarised in paragraphs 9 to 33. A request for additional funding for the Silver Street toilets scheme was detailed in paragraph 31, along with a request for the use of contingency and the re-allocation of the Property Key Components budget in paragraph 35.

RECOMMENDED: (i) That the net adjustments of (£4.423m) in 2009/10, £5.324m in 2010/11 and (£0.011m) in 2012/13, as set out on a scheme by scheme basis in the report and contained in Annex A, be approved.

REASON: To enable effective management and monitoring of the Council's capital programme.

(ii) That approval be given for additional funding of £25k from the Council's reserves for the Silver Street toilets.

REASON: To cover the additional costs of the scheme, incurred due to unforeseen structural problems.

(iii) That the contingency fund for £128k and £40k form the Property Key Components budget in respect of the Peaseholme Improvements work.

REASON: To cover the additional costs of the scheme, incurred to remedy the poor quality work of the previous contractor.

163. CAPITAL PROGRAMME BUDGET 2010/11 TO 2014/15

Members considered a report which presented the current position of the 2009/10 – 2013/14 capital programme, highlighted the existing funding position and associated pressures, and examined the bids received as part of this year's Capital Resource Allocation Model (CRAM) process.

The current approved programme for 2009-2013 amounted to £213.230m, financed by £87.029m of external funding and Council controlled resources

of £126.201m. The programme included three key elements – schemes fully funded by government departments, politically imperative schemes (mostly funded from corporate resources and including York Pools and the Administrative Accommodation project) and rolling programme schemes. In terms of the funding position for the programme, the capital receipts target was the most challenging ever faced by the Council. A detailed review of all approved asset sales had given a bottom line position of a £3.772m deficit over five years, due mainly to the current state of the property market. Suggested measures to address this were set out in paragraphs 14 to 17.

A total of 59 bids had been received under the CRAM process, of which 40 were fully funded, 6 were rolling programme bids and 13 required additional discretionary resources. The bids were detailed in paragraphs 21 to 65 of the report and summarised in Annex A. Schemes recommended for approval were set out in paragraphs 70 (table 5) and 77 (table 8). Proposed financing of the IT development plan and the More for York programme through prudential borrowing was outlined in paragraphs 78-80.

Members discussed and agreed some additions to the bids recommended for approval in the report. They then

- RECOMMENDED: (i) That Council approve the revised capital programme of £235.191m (amended from £234.916m), including specifically the inclusion in the programme of new schemes totalling £89.065m, as set out in the 'growth' column in Annex B to the report, plus a further Street Lighting Improvement scheme of £0.250m and £0.025m for further investment in the targeted home insulation programme to continue the £0.100m scheme commenced during 2009/10; the whole programme comprising:
- a) the bids recommended in paragraph 70 (table 5), totalling £7.618m and including the allocation of receipts to Access York Phase 1;
 - b) the additional externally funded schemes in paragraph 77 (table 8), totalling £72.860m;
 - c) the use of prudential borrowing for the IT development plan in paragraph 79 (table 9), totalling £5.141m and containing specific schemes of £1.141m, with the remaining £4m subject to further approval and for the capital element of the More for York programme as in paragraph 80, totalling £210k;
 - d) the use of HRA balances to fund HRA capital schemes, as set out in paragraph 81 (table 10), totalling £3.236m;
 - e) an additional scheme of Street Lighting Improvements of £250k, on an Invest to Save basis, with a view to achieving energy / carbon savings, the repayment period to be determined by the Director of Resources;

f) an additional scheme of £25k to continue the existing area based programme for home insulation grants in designated areas with the lowest SAP ratings and the highest incidence of fuel poverty.

(ii) That Council note the overall funding position identified in the report, which highlights a current shortfall in resources over the next five years, which the Council will need to address through increased revenue contributions in the medium term.

(iii) That Council endorse the principle of postponing asset sales until such time as the market picks up sufficiently to allow optimum values to be realised.

(iv) That Council approve the full re-stated programme as summarised in Annex B to the report and as amended by recommendation (i) above, totalling £235.191m up to 2014/15.

REASON: To set a balanced capital programme, as required by the Local Government Act 2003.

164. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS FOR 2010/11 TO 2014/15

Members considered a report which asked them to recommend to Council an integrated Treasury Management Strategy Statement, proposed Prudential Indicators for the period 2010/11 to 2014/15 and adoption of the revised Treasury Management Policy and reporting arrangements and Scheme of Delegation.

The Local Government Act 2003 required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. In doing so, the Council must have regard to the CIPFA Prudential Code and set Prudential Indicators for at least the next three years. The Council was also required to formally adopt the CIPFA Treasury Management Code of Practice, which had been revised during 2009 in the light of the Icelandic situation in 2008. A copy of the revised Code was attached at Annex A to the report. The revised Treasury Management Policy Statement, Prudential Indicators for 2009/10 to 2013/14, Specified and non-specified investments schedule and Scheme of Delegation and Role of the Section 151 Officer were attached at Annexes B, C, F and G respectively.

The Council was currently undertaking a series of significant capital schemes that would realise revenue savings over the next 30 years. This capital investment would contribute to a rise in the Council's underlying need to borrow, from the current level of £113.1m in 2009/10 to over £160.1m in 2014/15. The borrowing strategy aimed to minimise the risks of borrowing large amounts in a single year by giving flexibility to borrow in

advance of need, so as to take advantage of favourable interest rates as they arose. It would also enable the monitoring of interest rates for debt compared to investment levels, to ensure value for money. The annual investment strategy reviewed projected interest rates over the next three years and sought to minimise the risks to the Council whilst maximising the returns involved in placing deposits on the money market.

- RECOMMENDED: (i) That Council approve:
- a) the proposed Treasury Management Strategy for 2009/10;
 - b) the Prudential Indicators for 2009/10 to 2013/14 (Annex C);
 - c) the revised CIPFA Treasury Management Code of Practice 2009 (*the Code*) and revised Treasury Management Policy Statement (Annexes A and B);
 - d) the Specified and Non-specified Investments Schedule (Annex F);
 - e) The Scheme of Delegation and the Role of the Section 151 Officer (Annex G).
- (ii) That the Financial Regulations be amended to give delegated authority to the Director of Resources to have full discretion to choose the length of the repayment period for all prudential borrowing, as set out in paragraph 35 of the report.
- (iii) That the Treasury Management reporting arrangements set out in paragraph 16, table 1, as described by the Code, and the terms of reference in the Constitution, be amended to include the requirement that the Audit & Governance Committee scrutinise the Treasury Management Strategy and Monitoring reports.

REASON: To enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

165. FINANCIAL STRATEGY 2010 - 2016

Members considered a report which presented a Financial Strategy for the Council for the period 2010 - 2016, including detailed Revenue Budget proposals for the 2010/11 financial year.

The report presented a balanced budget, key features of which included:

- Revenue investment of £14.794m
- A net revenue budget of £117.978m
- A Council Tax increase of 2.9%
- Funding for pupil-led aspects of education (primarily schools) of £92.905m, to be met by the Dedicated Schools Grant.

The latest estimate of the budget position for 2010/11 was set out in Annex 1 to the report. Annex 2 summarised the same information on a directorate basis. The corporate, priority investment and directorate spending pressures, including recommended revenue growth proposals of £13.786, were outlined in Annex 3. Revenue savings proposals, totalling £10.352m for 2010/11, were set out in Annex 4.

Executive Members responded individually to issues within their own portfolio areas and responded to the comments made under Public Participation / Other Speakers (Minute 153 refers). The Chair emphasised that the focus of the budget was on assisting the most vulnerable, particularly older people and looked after children, and on supporting the local economy in a climate of worsening constraints on public expenditure. It was then

- RESOLVED: (i) That the following be noted:
- a) the expenditure pressures facing the Council in 2010/11, as detailed in Annex 1 to the report;
 - b) the impacts in 2010/11 of the growth requirements and savings proposals outlined in Annexes 2 and 3;
 - c) the medium term financial factors facing the Council, as outlined in the report;
 - d) the levels of reserves projected to be held as at 31 March in 2010, 2011, 2012, 2013, 2014, 2015 and 2016 (Annex 6);
 - e) the significant future pressures identified;
 - f) the statutory advice from the Director of Resources (paragraphs 128-140);
 - g) the need to ensure that any adjustments to the proposals in the report are self-balancing, within the requirements laid down by the Director of Resources as the Council's responsible Financial Officer;
- (ii) That the following amendments be made to the proposals in the report, the combined effect of which will reduce the net expenditure by £98k and the call on Council Tax by £140k:
- Reverse saving LS04 Community Arts with new designation of 'Inclusive Arts' (£67k)
 - Reverse saving CSTRS12 Park and Ride Additional Income (£50k)
 - Reduce cost of Respark Visitor Passes to £0.90 from £1.10 (£30k)
 - Reduce running costs for Yearsley Baths (£45k saving)
 - Reverse saving CEXES 16 Democracy Officer (£27k)
 - Reverse saving CEXES17/18 Review of Responsibility Allowances (£10k)

- Reduction in Chief Executive's department of printing costs and subscriptions (£9k saving)
 - Provide from Council reserves £42k funding to maintain the Arts Consultant posts CS11, with the projection that schools will be invited to maintain funding for these posts from September 2010
 - Reduce the contingency by £270k (from £855k to £585k)
- (iii) That, in relation to the More for York Programme:
- a) The revised More for York savings set out in Annex 5a be noted.
 - b) Approval be given to undertake to incorporate into More for York a programme of efficiency in City Strategy to:
 - rationalise the administration teams in the light of changes HR, ICT, Customer Services EDRMS and Finance and
 - improve processes in Planning and Building control through better use of technology and improved customer contract arrangements.
 - c) Approval be given to undertake to incorporate into More for York a programme of efficiency in the Chief Executive's directorate to:
 - a) rationalise use of administrative buildings over the Christmas period, saving on heating, lighting etc.
 - d) A review of out of area placements for Looked After Children be incorporated into the Children's Social Care blueprint.
 - e) A revised More for York investment total of £1.241m be approved, as set out in Annex 5b, and that authority be delegated to the Chief Executive and the Director of Resources to decide on the early resourcing needs of the programme in advance of a detailed report to the Executive.
 - f) The proposal to expand the programme, focusing initially on the areas identified in the report be noted, and a further report on this be received early in the new financial year.

RECOMMENDED: That Council approve the budget proposals outlined in the report and set out in detail within the financial strategy, in particular:

- i) The net revenue expenditure for 2010/11 of £117.880m as set out in Annex 1, **amended by £0.098m.**
- ii) The housing revenue account proposals outlined in Annex 8.

- iii) The dedicated schools grant proposals outlined in the report.
- iv) The revenue growth proposals of £13.786m on-going for 2010/11, plus one-off growth of £1.008m, as outlined in Annex 3, **subject to the following amendments:**
- a) Reduce growth proposals by £0.045m as follows:
- £0.045m (from £0.123m to £0.078m) for price increases in LCCS
- b) Reject growth proposals totalling £0.255m, as follows:
- CORPG41 in the sum of £0.255m for increased corporate contingency
- c) Include new growth proposals totalling £0.030m, as follows:
- reduction in the cost of Respark visitor badges from £1.10 to £0.90 at a cost of £0.030m;
- resulting in revised figures of £13.516m for on-going growth in 2010/11, plus one-off growth of £1.008m.
- v) The revenue savings proposals of £10.352m for 2010/11 outlined in Annex 4, **subject to the following amendments:**
- a) reject savings proposals totalling £0.154m, as follows:
- CEXES 16 – delete 1 fte Democracy Officer in the sum of - £0.027m
 - CEXES 17/18 – review of responsibility allowances in the sum of - £0.010m
 - CSTRS 12 Park & Ride additional income in the sum of - £0.050m
 - LS04 Arts and Culture – cease funding the community arts service in the sum of £0.067m.
- b) amend savings proposal totalling £0.042m, as follows:
- CS11 Arts Consultants – reduce the saving from £0.100m to £0.058m in 2010/11 to defer implementation until September 2010, with the remaining £0.042m of the 2010/11 saving to be funded by the use of reserves.
- c) include new savings proposals totalling - £0.024m, as follows:

- reduction in printing costs and subscriptions in the Chief Executive's department in the sum of - £0.009m
- reduction in the corporate contingency provision in the sum of - £0.015m from £0.600m to £0.585m

resulting in a revised figure of £10.180m.

- vi) In terms of the Council's reserves, the use in 2010/11 of £0.500m from the Venture Fund and £42k from general reserves for the Arts consultants.
- vii) Use of prior year collection fund surplus of £0.288m.
- viii) That release of growth of £500k for 16/17 year olds be subject to a further report to the Executive setting out the full implications (paragraph 28).
- ix) That the £2m transfer from general balances to the capital reserve fund not be made (paragraph 52).
- x) The increase in council dwelling rents by an average of 1.83%, in line with government guidance on rent re-structuring, as set out in Annex 9.
- xi) Note the medium term financial strategy projections that indicate the need for savings / efficiencies in future years of £10m per annum.
- xii) Note that the effect of approving the income and expenditure proposals included in the above recommendations will result in an increase in the City of York element of the Council Tax of 2.7%.

REASON: In order to set a balanced budget that assists the most vulnerable and supports the local economy, whilst responding to concerns raised by residents and interested parties.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.50 pm].

EXECUTIVE FORWARD PLAN (as at 28 January 2010)

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 16 March 2010		
Title & Description	Author	Portfolio Holder
<p>Information Governance Policy and Strategy 2010</p> <p><i>Purpose of report: For information at: Review and update of the 2007 strategy taking account of new guidance and internal developments.</i></p> <p><i>Salient points are: No Request of additional resources. Service by service review is the strategy. LGA backing. Internal drivers are HQ move and More for York.</i></p> <p><i>Members are asked to: support the strategy that CMT has adopted, which will improve service delivery, enhance information governance and reduce financial and reputational risk to the council</i></p>	Robert Beane	Executive Member for Corporate Services
<p>Review of Flood Defence Trial in Clementhorpe</p> <p><i>Purpose of report: To advise Members on the progress made with the trial use of the Aquabarrier flood defence system in Clementhorpe. The decision will effect the actions in the Council's Emergency Flood Plan and how support would be given to Clementhorpe in subsequent flood events.</i></p> <p><i>Members are asked to: To provide guidance on the future response to flooding from the River Ouse in the Clementhorpe area.</i></p>	Ray Chaplin	Executive Leader
<p>Cycling City York – Progress Report</p> <p><i>Purpose of report: To inform all Members of the progress of the Cycling City York programme and looking ahead to this next year as requested at the meeting of the Executive in September 2009.</i></p> <p><i>Members are asked to: To note the content of the report and continue to support this initiative.</i></p>	Graham Titchener	Executive Member for City Strategy

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 30 March 2010

<p>Minutes of Working Groups</p> <p><i>Purpose of Report: This report presents the minutes of recent meetings of the Young People’s Working Group, the LDF Working Group and the Social Inclusion Working Group and asks Members to consider the advice given by the Groups in their capacity as advisory bodies to the Executive.</i></p> <p><i>Members are asked to: Note the minutes and to decide whether they wish to approve the specific recommendations made by the Working Groups, and /or respond to any of the advice offered by the Working Groups.</i></p>	<p>Jayne Carr</p>	<p>Executive Leader</p>
<p>Corporate Asset Management Update Report</p> <p><i>Purpose of report: To advise on progress with the Corporate Asset Management Plan against each of the original property outputs.</i></p> <p><i>Members are asked to: Approve the recommendations made in the report.</i> <i>NOTE: The report has slipped as this needs to be in align with the More for York report to be taken on 30 March.</i></p>	<p>Philip Callow</p>	<p>Executive Leader</p>
<p>Strategic Asset Management Planning – (MfY)</p> <p><i>Purpose of report: This report will set out options for the way forward to improve the effectiveness of strategic asset management planning across the whole authority using the action plan from the recent Audit Commission Report on Asset Management, establishing an Asset Board and writing a new 5 year Corporate Asset Management Plan.</i></p> <p><i>Members are asked to: Comment on the options in the report and approve the preferred option to establish an Asset Board from April 2010 and have a new Corporate AMP brought to Exec for approval by September 2010.</i></p>	<p>Philip Callow</p>	<p>Executive Leader</p>
<p>York Northwest Progress Report and Next Steps</p> <p><i>Purpose of report: Following the suspension of the competitive dialogue process by the York Central Consortium, the report updates Members on</i></p>	<p>Sue Houghton</p>	<p>Executive Member for City Strategy</p>

<p><i>progress with York Northwest and the outcome of the joint review of the work carried out. A report will be taken to the LDF Working Group prior to this meeting and any comments made will be appended to this report. The report outlines a revised approach to the delivery of York Northwest and the implications of this on the Local Development Scheme (LDS). A further report will subsequently be brought to Members on wider issues and revisions relating to the LDS.</i></p> <p><i>Members are asked to: The report will ask Members to agree a revised planning approach, timescales for delivery and to revise the LDS Project Plan accordingly. Members will also be asked to agree in principle the council taking a promotional lead to deliver York Central including investigation of alternative development/partnership delivery arrangements.</i></p>		
<p>Traffic Arrangements at York Railway Station</p> <p><i>Purpose of report: To advise Members on the progress made with investigations at York Rail Station not the traffic congestion and access issues raised in the motion to full Council on 2 April 2009.</i></p> <p><i>Members are asked to: To provide guidance on the future response in dealing with issues that may be identified.</i></p>	Ray Chaplin	Executive Member for City Strategy

<p>Safety Camera Feasibility Report</p> <p><i>Purpose of report: The report provides an update on the feasibility study undertaken through the 95 Alive casualty reduction partnership in relation to the introduction of safety cameras across North Yorkshire. The report highlights the basis on which a scheme might be implemented, indicative costs of implementation and further work to be undertaken.</i></p> <p><i>Members are asked to: Note the progress so far and support the recommendation.</i></p>	Trish Hirst	Executive Member for City Strategy
<p>School Meal Tender Process - Selection of a preferred supplier</p> <p><i>Purpose of report: If members agree with the officers' decisions, all schools that have stated that they wish to be involved in the tender will be affected as this will decide which supplier is to provide catering to these schools until at least 2015. If a different supplier is selected to the current incumbent supplier there will be TUPE issues to resolve before the contract commences in September 2010. The intention is that the new supplier will be providing school meals from September 2010. Due to the lead in time with the new supplier a decision, at this EXEC, needs to be made as to which supplier is selected to provide school meals from September 2010. The resulting effects will be seen by the pupils in September 2010. CYC, school staff, and, if applicable, any staff that are involved in TUPE will see the effects earlier as the selected supplier will be required to start implementing the contract before the start of the contract in September 2010.</i></p> <p><i>Members are asked to: Review the evaluation outcome of the school meal tender and then make a decision as to the preferred supplier to award the contract to.</i></p>	Maggie Tansley	Executive Member for Children and Young People's Services
<p>Corporate Strategy 2009 - 12 Annual Refresh</p> <p><i>Purpose of report: To present the Corporate Strategy which has been refreshed to update the 1 year milestones.</i></p> <p><i>Members are asked to: To consider and agree the refreshed Corporate Strategy.</i></p>	Marilyn Summers	Executive Member for Corporate Services

<i>Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders</i>					
Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
No items slipped					

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Executive**2 March 2010**

Report of the Director of City Strategy and the Corporate Landlord

Lendal Bridge Cycle Hub Station**Executive Summary**

1. The purpose of the report is to;
 - update the Executive on the progress made towards converting the former electricity sub station to a secure cycle park, to bring into full use a redundant vacant building in the city centre.
 - To obtain authority to release funds of £270,000 from the 2009/10 capital programme to be spent in 2009/10 and 2010/11.
 - To consider making a supplementary loan of up to £30,000 to meet the funding shortfall identified.

Background

2. At the Executive meeting on 12 June 2007 members agreed to lease the former Lendal Bridge Sub-station shown in **Annex 1**, to The Bike Rescue Project CIC for use as a secure cycle park, subject to them obtaining planning permission and sufficient grant funding to fully convert the Sub-Station.
3. As a private community interest, non profit making company Bike Rescue were deemed to be in a better position than the City Council to obtain grant aid. If they were only successful in obtaining partial grant funding, then the Council was to match fund to a maximum of £50,000 from the Transport Planning Unit Capital Programme. The agreement to lease the Sub-Station and the terms and conditions of the lease were delegated to the Corporate Landlord.
4. The Bike Rescue Project CIC are existing tenants of the Council at the Parkside Commercial Centre, and specialise in recycling bicycles and parts which have been donated or recovered from the waste stream, and repairing cycles. For more information see their Business Plan in **Annex 2**.
5. Several Applications for grant funding were made by Bike Rescue and they received expressions of interest from EON and the Reaching Communities Fund, subject to the scheme receiving Planning Consent and being fully costed. However none of the applications so far have resulted in offers of funding. They

have a continuing strategy to pursue further funding and have a number of applications in the pipeline.

6. This process has overlapped with the Council's successful bid for Cycling City status in which Bike Rescue were involved, and actively assisted. The Hub-Station project was an integral part of the Cycling City bid and was proposed to be funded using the Local Transport Plan and Cycling City grant. An allocation of £270,000 is included within the 2009/10 City Strategy Capital Programme for the provision of the Cycle Hub Station with the source of funding for the scheme split evenly between the Cycling City grant and the Local Transport Plan. The actual funding apportionment at the end of the financial year will be dependent on the progress of other cycling city projects.
7. This scheme will help meet a growing need for a secure repository for residents and visitors cycles. It should help lower the amount of cycle thefts in the city and encourage more people to visit the centre on their cycles in the knowledge that a secure facility is available. It is located in close proximity to the City Centre, en route from the Rail Station, and sits on one of the main national and local cycle routes which increases its potential use and viability. It will enable businesses in the vicinity to promote its use by their employees as a means of achieving targets for carbon reduction, corporate social responsibilities and staff welfare. Cascading benefits would be a lowering of vehicle congestion and environmental impact through more people choosing to cycle.
8. It meets the Cycling City York (CCY) programme goal to encourage more people to cycle and Cycling England have recognised this by endorsing it and providing funding towards the scheme. It is one of the first of such schemes in the country, and Interestingly the term "Cycle Hub" now used around the UK has come from this work. In taking this new initiative to encourage cycling, especially through a partnership arrangement, York is demonstrating a bold and innovative approach.
9. The CCY programme has gained recognition for working effectively and producing many successful results. The delivery of this project would again "raise the bar" and bring the city closer to its European counterparts who have many similar facilities. It does come with risks but these have been reduced where possible. The costs in relation to the potential benefits are considered to be value for money.
10. There will be a shortfall however, of approximately £15,000 on the full cost of the scheme for which Bike Rescue will have to make provision.
11. In parallel to the Cycling City Programme, the recent announcement by DfT of funding being made available for station improvements has initiated a study to develop a 'Cycle Point' based on a Dutch-style system incorporating secure cycle parking, hire and maintenance services to be located at York station. This will be led and funded by Network Rail and East Coast and will be a facility that predominantly serves those using the rail station, given its location.
12. These two projects are seen by both the Council, Bike Rescue and the above operators to be complementary to each other and it is hoped that these will be the first of several schemes to provide more secure cycle parking and other cycle

facilities in and around York. The Cycle Point will be primarily for commuters and tourists using the station for rail journeys and the 'Cycle hub' is considered to be more convenient for residents of York given its proximity to the City Centre. Both sites will provide secure cycle parking and cycle maintenance. If a decision is taken not to proceed with the Council's Hub Station there is a risk that the Cycling City grant element of the funding would not be used unless an agreement with Cycling England can be reached to divert the resources to an alternative project.

Current Progress

13. Terms have been provisionally agreed to grant Bike Rescue an agreement to lease followed by a 30 year lease with 5 yearly rent reviews. The agreement to lease gives them license to occupy the building to undertake the specified works. Once these have been completed to the satisfaction of the Council's agent the lease will commence. A peppercorn rent is payable for the initial 5 years following which it will be reviewed to open market level, subject to the business being viable at such rent. The rent free period will afford the maximum opportunity for this venture to be successful.
14. The project to convert the building is not being undertaken by the City Council. Bike Rescue have from the outset had the responsibility to seek funding and for planning, designing and commissioning the facility which they will operate. They have appointed the architect, and the contract to undertake the work will be between Bike Rescue and the construction company. However these appointments and processes have been undertaken in line with the City Council's procurement and financial regulations. The council will be named in the contract as the "funder" which will enable payments to be made direct to the contractor, to avoid delays.
15. The construction work involves removing the existing flat concrete roof and replacing it with a steel framed "Mansard" roof to gain the additional height needed to allow an upper floor to be installed. The refurbished building will comprise ground floor secure cycle parking, display and sales area, shower wash room, changing area and toilet, 1st floor workshop, office and toilet, with potential for additional cycle storage. A platform lift will provide disabled access to the ground floor. The work is estimated to take approximately 20 weeks. Drawings and elevations of the proposed alterations are included in **Annex 4**.
16. Bike Rescue's architect who will project manage the scheme has successfully obtained planning and listed building consent for the alterations and change of use to secure cycle parking, retail and workshop. He has assembled a professional team and has undertaken a tender exercise with contractors registered with Constructionline. Constructionline is an online UK register of Pre Qualified contractors and consultants i.e. which have been checked to ensure they meet industry and financial standards. A contractor has now been selected from 5 competitive bids received.
17. Prior to the tender exercise some adjustments to the scheme were made to try and bring the cost within the budget allocated of £270,000. These included excluding the upper level cycle storage decking and hoist, (ground level storage will still accommodate circa 100 cycles) the sales counter, partitioning of the

office area and non slip floor covering in the workshop. Despite this the lowest tender sum has come in higher than the budget allocation. The sum which includes a contingency of £15,000 plus the professional team fees, puts the cost of the scheme at £284,635. The cost of the full scheme, were the above items reinstated is approximately £300,000. Bike Rescue are aware that they will have to arrange a bank loan to cover the shortfall.

18. The paring back of the scheme does reduce cycle storage capacity, however it will still be providing 100 spaces to the general public in accordance with the council's requirement. Bike Rescue have subsequently obtained a sales counter which is being held in storage.
19. An alternative to Bike Rescue arranging a bank loan to cover the shortfall would be for the Council to provide a loan to Bike Rescue up to a maximum of £30,000 which they would pay back over the initial years of the lease. Members are invited to consider whether they would approve such a loan for either the full scheme in which case a loan of £30k would be required, or the reduced scheme for a loan of £15k. If a loan of £15,000 was advanced this could be paid back over 5 years at £3,421 per annum on current levels of interest, or over 10 years at £1,900 pa. A £30,00 loan would cost Bike Rescue £6,841 p.a. over 5 years, or £3,799 pa over 10 years. In the unlikely event that Bike Rescue encounter trading difficulties and default on the loan, the value of the refurbished premises in their enhanced condition would be sufficient to cover any outstanding loan. The lease to Bike Rescue would have to be forfeit and the balance of the loan would be met from the future letting or sale of the building.
20. The funding for the proposed alterations and building refurbishment is being allocated by the City Council through its Cycling England award and Transport Planning budget. To ensure that the Council's interest in the building is protected Property Services have appointed Atkins, a framework partner of the City Council with expertise in architecture, structural engineering, building and quantity surveying. They are acting as the Council's agent reporting to Property Services, in reviewing and monitoring the architectural, structural, mechanical and electrical aspects of the work and the contract documents.
21. During the construction the funds will be transferred to the contractor on a monthly valuation basis. The contractor will report each month to the architect's team together with Atkins on the progress made. Once the work has been approved, valued and an architect's certificate is issued, the funds will be released.
22. The construction work involves removing the substantial concrete flat roof, from behind stone parapets, Installing steelwork to form a new roof, and creating an additional floor in a listed building which is part of the river flood defences.
23. There are risks that removal of the roof and supporting beams will weaken the support for the stone parapet walls, and affect the general integrity of the building which is part of the flood defence system. However the professional team are advised by the Dossor Group Consulting Structural Engineers who are well experienced in dealing with such projects and have approved the work.

24. The further risk is that unforeseen problems are encountered during the structural work which increases the cost above budget. To mitigate the risk a contractor registered with Constructionline has been selected. The contractor is very experienced in all aspects of building and civil engineering and has worked successfully for the Council on previous occasions. Their tender submission has been checked by Bike Rescue's professional team and Atkins. A contingency of £15,000 has been included to allow for some unforeseen expenditure.
25. Whilst Atkins have advised that the contingency of £15,000 is on the low side for such work to a building of this nature, the contractor has agreed to undertake the scheme for a fixed price contract sum of £254,139. He will bear the risk of meeting any additional costs over and above this. With professional fees payable to the architect and his team the full cost of the scheme should not exceed £284,635.
26. There is a further risk that the take up of cycle parking to ensure the success of the scheme will be slower than anticipated. However the business plan projections prepared by Bike Rescue, see **Annex 3**, is based on conservative estimates of income for the first 3 years i.e. 30% capacity in year 1. It has not taken any account of additional grant revenue funding which they may secure. Their other activities such as training courses and sale of cycles will help to support the venture.
27. The Secure Cycle Park will be one of the first of its kind in the country. It will provide a manned facility with 100 secure cycle parking spaces open to the public 6 days per week. Charges for cycles are likely to be £1 per day. Additional services available will include cycle maintenance and repair, lockers and showers, purchase of cycle accessories and refreshments and cycling information and advice. For more information see **Annex 2**.
28. In addition to the secure Cycle storage the premises will also provide Bike Rescue with an improved more central location for sale of their recycled bikes and a venue for training persons in cycle maintenance. The additional income generated by these activities will help underpin the viability of the Cycle Park.
29. The Bike Rescue Project have established themselves over the last 3 years and through the bike recycling scheme have become well known to local cycling organizations and the public. This experience together with their income generation from the sale and repair of cycles should put them in a good position to manage the secure cycle park. Indications are that there is a demand for such a facility in York and there should be an immediate take up of spaces.

Consultation

30. During the progression of the scheme consultation has been undertaken with interested parties including Ward Members, Executive members, the Environment Agency, 8 Cycling Organisations, Cycling England and Finance officers. Ward Members identified the building as potentially suitable for the desired facility of a secure cycle park and provide in principle support for this use. The building structure forms an extension of the North Street flood wall, and the Environment Agency have given their assent to the cycle park use subject to

them having access periodically to maintain the flood defences and during flood events.

Options

31. The options available are;

Option A: To proceed with the project and authorise release of the funds up to a maximum of £270,000 in a phased programme as work stages are completed to the satisfaction of the Council's agent. In addition there is an option to make a supplementary loan to cover the shortfall identified.

Option B: Not to proceed with the project.

Analysis

32. Option A Release of the funds

Advantage

It will allow the scheme to proceed fulfilling a requirement for a facility which was identified in the Local Transport Plan Cycling Strategy in 1996, and the Cycling City strategy submitted to Cycling England in December 2008, is supported by Ward Members and which has already been approved in principle.

Cycling England encourages the provision of secure cycle parking schemes and would support the Council in taking this bold and innovative solution forward.

Disadvantage

Reduces the funding available for other cycling objectives.

There are risks as with any such project that the costs may run over budget, however by the agreement of a fixed price contract this risk is substantially mitigated. The Council and Cycling England retain some risk in the approval of the project and releasing these funds.

33. Option B Not to proceed

Advantage

Allows funds to be channelled towards other cycling related provision.

Disadvantage

Prevents the realisation of an objective which was included as part of the Council's successful Cycling City bid, and for which a scheme has been designed and planning and listed building consent obtained.

The Cycling City project would also be left with a sizeable amount of funding to be spent elsewhere within a short space of time. There is a significant risk that

the funds could not be spent within the allotted timescale and that some or all of them would be lost to the City having to be repaid to Cycling England.

Corporate Objectives

34. The scheme to utilise the redundant former sub station for secure cycle parking will encourage people to travel to the city centre by cycle and thus contributes to 3 themes of the corporate strategy;
- A sustainable city - reduction in congestion and increase in air quality due to less dependence on the private car
 - A healthy city - the many health benefits arising from cycling are well known
 - A safer city - providing York with a safe secure and convenient place to leave your cycle, thereby encouraging more people to cycle.

Implications

Financial

35. The scheme is funded by Cycling England and the Council's Capital Programme.

Human Resources, Equalities, Crime and Disorder, or Property

36. The provision of secure cycle parking should help to further reduce the level of cycle theft in the city

Legal .

37. In the event that the Council accepts the recommendations in the report of the Director of City Strategy and Corporate Landlord, there will be various contractual implications for the Council to consider as follows below.
38. The Council will enter into an agreement to lease the premises at Lendal Bridge to the Bike Rescue Project CIC (as licensee) to enable the carrying out and completion of various construction and refurbishment works. The Council will prepare and enter into this licence agreement and Legal Services will assist in this process as required.
39. Following successful completion of the construction and refurbishment works during the licence period, the Council will grant a lease of the premises at Lendal Bridge to the Bike Rescue Project CIC for a term of 30 years with periodic rent reviews (5 yearly). Following a peppercorn rent concession for the initial 5-year term it is intended that a rent review will take place to assess viability of payment of rent at appropriate market level. Legal Services will prepare the lease documents and advise on the process as required.

40. The Council will also have contractual obligations as funding source within the contract between Bike Rescue Project CIC and the appointed building contractor for the Lendal Bridge works but will not have responsibility for management or completion of the works. However it is recommended that the Council secure appropriate collateral warranties or other guarantees in favour of the Council to ensure that the Council's funds are properly applied and protected during the period of the works. Further although management of the works has been entrusted to an external firm (Atkins) leading a team of specialist construction professionals, it is recommended that the Council's Legal Services have an oversight and input into the scrutiny and (if necessary) negotiation of all applicable agreements including those of the specialist professionals and the works contract itself, to ensure the interests of the Council are maintained, in particular the protection of the Council's funding stream and the preservation of the Council's assets as well as generally minimising any risks to the Council.
41. Finally, the recommended loan of [£30,000 maximum] from the Council to Bike Rescue Project CIC should be reflected in a formal loan agreement (if appropriate as an addendum to the lease agreement) to protect the Council's funds and reflect the terms on which this loan is extended to Bike Rescue Project CIC.

Information Technology.

No implications

Risk Management

37. As outlined in the body of the report, there are several risks in undertaking the scheme which are summarised as follows;
38. The structural stability of the building could be compromised by removal of the roof. The likelihood of this happening is small as the architect managing the scheme is using a structural engineer and contractor who are very experienced in such work.
39. The budget is insufficient to meet the full cost of the scheme, meaning that Bike Rescue have to finance the shortfall by means of a loan. There is a risk that Bike Rescue would be unable to raise this loan. Bike Rescue have a good standing with their own bank and have a relationship with the Charity Bank. However more certainty of the loan funding would be available if the Council are able to provide these supplementary funds.
40. If a loan was advanced by the Council of £15,000 over 5 years from year 1 the repayments would be £3,421 pa. Their business plan does make allowance for such loan repayments commencing in year 1. Their income projections show a small surplus of circa £1,500 in year 1, increasing in years 2 and 3, to approximately £5,000 and £10,000 respectively. They are continuing to seek grant funding to further bolster these figures.
41. In the present financial climate there is a risk that the Contractor or Bike Rescue could suffer a business failure. The contractor has been established almost 20

years and is engaged not only in building but also in Civil Engineering. They have framework agreements with Agencies such as Yorkshire water and Yorkshire Housing, and are on approved tender lists for various local authorities including York Council, as well as private clients.

42. Bike Rescue have been existing tenants of the Council for several years. They have mentoring support from Business Link and business support from North Yorkshire Forum for voluntary Organisations. They presently operate a profitable business with a turnover in excess of £67,000 per annum. They also have a strategy for obtaining grant revenue funding of up to £180,000 over the next 5 years.
43. The main risks and the steps taken to mitigate them are outlined in the body of the report. The impact and likelihood of each of these has been evaluated and is being incorporated into the council's risk register Magique.

Recommendations

44. It is recommended that Members approve;
 - A) the release of £270,000 from the 2009/10 City Strategy Capital Programme to be released in stages to fund the conversion of Lendal Bridge former sub station to a secure cycle park and to bring into beneficial use a vacant city centre building.
 - B) a loan up to a maximum £30,000 be made to Bike Rescue to be repaid within 10 years. In the unlikely case of default the loan would be repaid from the proceeds of a sale or re letting of the building

Reason: To enable the next phase of the project to be undertaken and allow physical works to commence on site.

Contact Details

Author:
Paul Fox
Property Surveyor
Property Services

Chief Officer Responsible for the report:
Neil Hindhaugh
Assistant Director of Property Services
Tel No. (01904) 553312

Report Approved *tick* Date *Insert Date*

Bill Woolley
Director of City Strategy
Tel No. (01904) 551330

Report Approved *tick* Date *Insert Date*

Specialist Implications Officer(s)

Andy Vose
Transport Planner
Tel No. (01904) 551608
Louise Branford-White
Accountant, Strategic Finance
Tel No. (01904 551187)

Wards Affected: Micklegate and Guildhall specifically, all generally

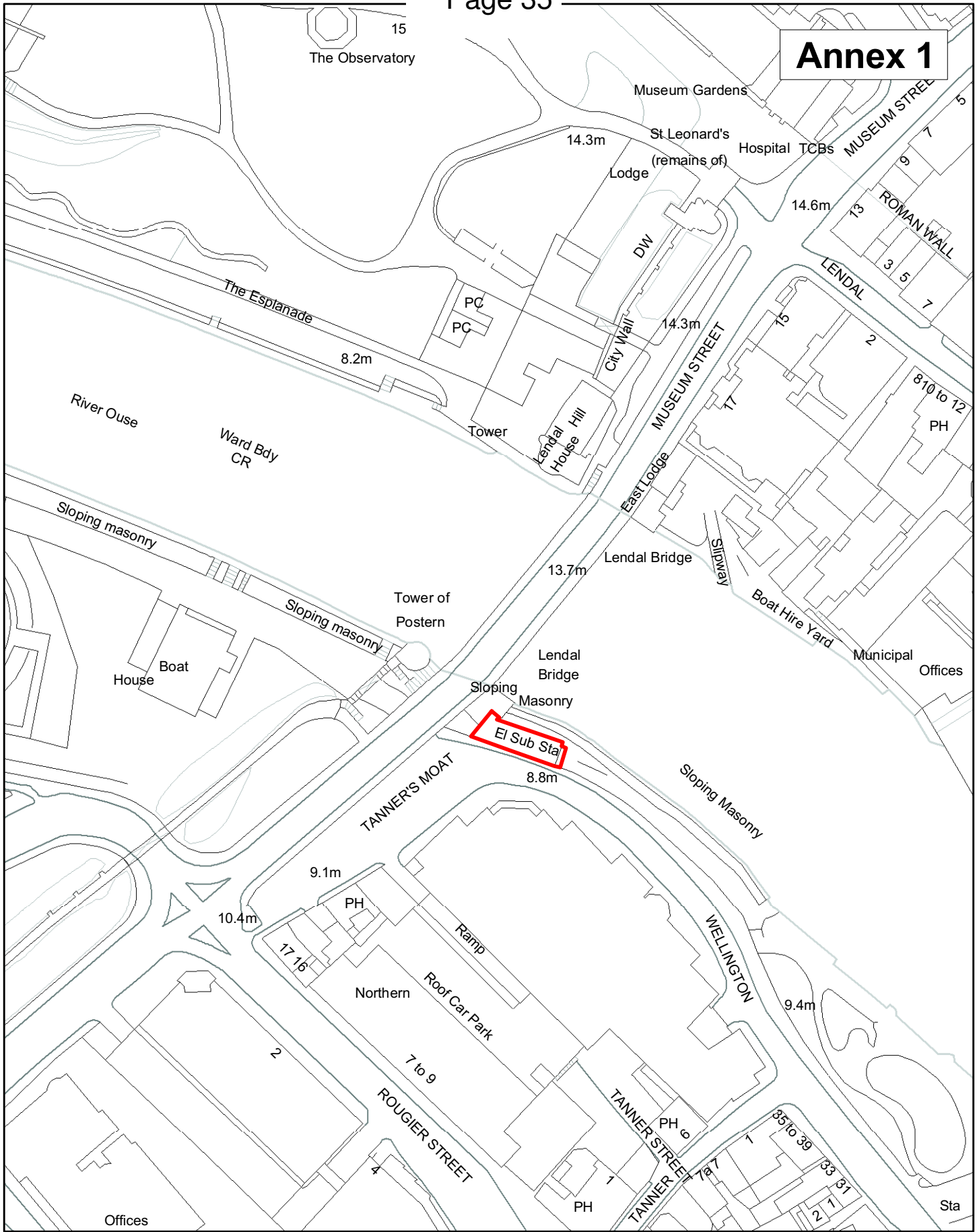
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For further information please contact the author of the report

Background Papers:

- Annex 1 Location Plan
- Annex 2 Business Plan
- Annex 3 Business Plan Income and expenditure forecasts
- Annex 4 Plans and elevations of the proposed scheme.

Annex 1



Lendal Bridge Sub Station



SCALE 1:1,250

DRAWN BY: GR

DATE: 21/08/2009

Originating Group:

Property Services

Drawing No.

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[Resources](#)
Property Services

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THE BIKERESCUE PROJECT

BUSINESS PLAN January 2010

BikeRescue, Parkside Commercial Centre,
Terry Avenue, York, YO23 1JP.

01904 733789

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2. INTRODUCTION – CYCLING, CITY OF YORK AND RECYCLING

- 2.1 The City of York has traditionally boasted a much higher than average level of cycle use. Its compact flat topography, along with lower wage levels than might be expected, has created a strong cycling culture over many years. Nowadays the City boasts over 100km of cycle routes and lanes, and, based on a wide range of cycling initiatives, programmes and infrastructure developments, the City has recently attained Cycling City status.
- 2.2 The medieval streets layout of York has led to a great deal of traffic congestion, with associated poor air quality and unreliability of public transport, so the City Council are keen to encourage cycling (as laid out in the Local Transport Plan). Most schools are now implementing School Travel Plans, and employers are being urged to adopt travel plans to reduce car commuting. The three major further/higher educational establishments in the City, York University, York St John University and York College, actively encourage students to cycle rather than use cars, for which parking space is at a premium. Likewise York District Hospital faces a constant parking problem, both for staff and visitors.
- 2.3 The advantages of cycling are well established, and cycle ownership can make big differences to the lives of York's residents. Cycle use nationally is showing a steep increase. We have observed that for those of limited means or on low incomes, there is a scarcity, and almost no availability, of low-priced, second-hand machines, that are in sound condition, of good quality, and have been safety checked. There is also a national shortage of qualified cycle mechanics. Another observation is that York's cutting-edge recycling programme did not accommodate bicycle recycling, and approximately 60 bikes per week are being crushed.
- 2.4 After having attended seminars in other UK Cities, on the subject of Bicycle Recycling Schemes, it was apparent that York could benefit greatly from such a scheme. Andy Scaife and Bernie Cullen, both experienced in the Cycle Trade and both Cycle Mechanics, saw an opportunity to implement a bike recycling scheme in York and have created a social enterprise organisation to deliver that aim. In September 2009 Mick Brown Bike Rescue's senior mechanic replaced Andy Scaife as Director when he left the project to pursue other interests.
- 2.5 Having grown the project over the last 3 years, an opportunity arose to expand the scheme into the provision of a Hub station, which has the potential to increase the sustainability of the original project, the recycling of old bikes, and to develop wider city wide objectives such as secure city centre cycle parking – a long standing need which remains unfulfilled. The location, a redundant council building which was formerly a sub-station, has the potential to create a long term retail outlet for the recycled bikes, with a much greater public profile, whilst also delivering green transport and crime reduction objectives.

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3. BACKGROUND & ISSUES

- 3.1 Bike Rescue was originally set up as a direct response to various issues and needs. These needs and demands were (and still are) identified in various strategies and policy documents including waste strategy plans; crime surveys and crime reduction strategies; neighbourhood surveys; local transport plans and green transport initiatives.
- 3.2 In addition to these, various environmental agendas were becoming progressively more topical such as CO² emission reductions; minimising embedded energy; living more sustainably. Alongside this was the ever-increasing understanding that actions needed to be taken within local communities to address these agendas, if there was ever to be a significant impact on the 'big' agendas and targets.
- 3.3 So, at inception, the issues that the project intended to address, included:

a) Reducing waste – the national waste hierarchy set out a clear order of priority. Set out below, against that hierarchy, is how Bike Rescue delivers precisely in line with that priority order:

1. Reduce - take bikes out of waste stream before they get into it; promote and take/collect all donated/discarded/abandoned/unwanted bikes
2. Re-use - clean up, safety check and re-use; or refurbish, safety check, re-use
3. Recycle – use parts of 'irreparable' bikes for refurbishing other bikes; for community spares; for Art bikes, bike sculpture.

b) Increasingly difficult to remove items from waste stream - once items have entered the 'waste stream', there is a great deal of legislation and paperwork to be addressed in order to remove items. Therefore what was needed was a system that could stop bikes entering the waste stream.

c) Reducing CO² emissions – a great deal of energy is required to produce a new bicycle (the concept of 'embedded energy'). Re-using them with minimum further energy, delivers the best solution to reducing CO², particularly if/where second hand parts are also used.

d) Green Transport – cycling is one of the most environmentally friendly modes of transport. York is well known as a cycling city, with a high demand for, and high turnover of bikes (it also has a significant student population and consequent, increased local demand). Cars are discouraged in the city centre and there are many cycle routes/tracks.

e) Deprivation and disadvantage – York has several significant areas of deprivation, often overlooked or not visible at 'ward' levels. However, with the release of information on 'Super Output Areas' (SOA's), this neighbourhood deprivation is much more visible: 11 SOA's in York feature in the 20% of most deprived areas nationally. In essence what this means is that there are significant numbers of people on low incomes and who cannot afford 'expensive' transport options (see below).

f) Cheap transport – There is a significant demand for cheap transport in York. Whilst there is a thriving 'new bike' retail trade, there is no longer a source of second hand bikes, as retailers find it increasingly difficult to: find spare parts; store second hand bikes; create profit on refurbishing/reusing. This means that there is little competition in the second-hand market but there is an ever-increasing demand. With the economy of scale (single 'provider' in the market over the entire city) and clear 're-use' purpose there is a sustainable business, particularly when the 'raw materials' come in 'free' (as donations etc). So, the low cost of refurbishment can be passed on through the 'social enterprise' to those in need or at some disadvantage, as well as encouraging people into the more environmentally friendly 're-use' market.

g) Developing Social/Community enterprises - people are coming increasingly to see the value and benefits of local schemes, run by and for the local community. In reviewing the best way to address the issues and needs set out above, it became clear that the nature of social enterprise would ensure that people would willingly donate bikes and would also be more happy/likely to volunteer for a social enterprise organisation.

h) Crime – various surveys and strategies identified that there is a significant problem with bike theft/related crime in York, particularly amongst young people. Discussions with the Youth Offending team, Police and Probation service identified a number of significant needs that could be addressed through the Bike Rescue project, ranging from diversion from crime, to vocational qualifications and community service.

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4. WHO WE ARE

Organisation structure & Regulation

- 4.1 Bike Rescue is a 'not-for-profit' Community Interest Company, regulated by CIC Regulator, under The Companies (Audit, Investigations & Community Enterprise) Act 2004.
- 4.2 The organisation is a CIC limited by guarantee and not a CIC with shares.
- 4.3 CIC number: 5964142 Date of registration: 11-10-2006
For more information on CIC's and regulation, see www.cicregulator.gov.uk

Company History

- 4.4 The organisation was set up in 2006 by two of the current Directors in order to deliver on the aims set out below.
- 4.5 We now employ 10 people, full and part time, including 1 apprentice, 1 'A4E' trainee and 20 volunteers.

Partnerships

- 4.6 A strong believer in partnerships that will help deliver its aims, Bike Rescue works in closely with many organisations including several departments and sections of City of York Council, including:
 - Partnership with other youth and recycling organisations
 - YOT
 - North Yorkshire County Council
 - Safer York Partnership
 - University of York
 - Velotech Cycle Training
 - Jobcentre Plus (A4E)
 - Compass
 - Greenboard Charitable Trust
 - York College (Train to Gain)
 - Business Link Yorkshire
 - Waste Strategy, Neighbourhood Services. Cycling City York
 - I.D.A.S (Women's Aid)
 - North Yorkshire Learning Consortium
 - NYFVO

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5. THE VISION

At its heart, BikeRescue will always remain a bicycle recycling scheme; serving the community in its need for ethical lifestyle choices, and cheap, good quality transport.

Our expansion plans encapsulate a desire to be the facilitators of services which enhance the lives of cyclists and would-be cyclists in York and beyond.

Making cycling cheaper, safer, more pleasurable, and a natural choice for as many people as possible.

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6. AIMS & OBJECTIVES - BIKE RESCUE & THE HUB STATION

6.1 Set out below are our 6 aims, beneath that aims are set out, with a list of objectives that will help to deliver that aim.

6.2 The aims are:

- Aim 1. To reuse bicycles in York
- Aim 2. To divert bicycle 'waste' from waste stream in York
- Aim 3. Work in partnership with Cycling City York to create a range of cycling Hubstations
- Aim 4. To provide training & education for cyclists & mechanics
- Aim 5. To promote cycling through conservation, heritage, art
- Aim 6. To develop a sustainable structure that delivers the above

6.3 The aims with their related objectives are:

Aim 1. To reuse bicycles in York

Objectives:

- 1.1 Create a sustainable bike rescue organisation in York with the necessary people and premises that will work in conjunction with other organisations to create a coordinated infrastructure for the reuse of bikes
- 1.2 Maximise the working life of bicycles with appropriate mechanical refurbishment, creating useable, safe bikes at low cost to new owners
- 1.3 With minimum amount of work, gain maximum amount of use from the original embedded production energy
- 1.4 Encourage members of the public to buy/use recycled bikes thus preserving the embedded energy and increasing awareness of reuse/recycling issues
- 1.5 Research and design new and innovative products from waste bicycle parts including items such as composters (from tyres) and bike furniture
- 1.6 Actively participate in Freecycle (a web based service for the reuse of bikes)
- 1.7 Act as an information and distribution point for bike reuse/recycling

Aim 2. To divert bicycle 'waste' from waste stream in York & North Yorkshire**Objectives:**

- 2.1 Take donated bikes from individuals and groups
- 2.2 Work with Waste Strategy Team (City of York Council), and North Yorkshire County Council to avoid unwanted bicycles from entering the 'waste stream'
- 2.3 Work towards extending the scheme to include all amenity sites in York and beyond
- 2.4 Establish a 'collect from home' service for the public
- 2.5 Work with organisations to remove waste bicycles from their properties e.g. railways, landlords and employers
- 2.6 Advertise/promote the service
- 2.7 Work with North Yorkshire Police and Street Scene to collect abandoned bikes, avoiding them entering waste stream and improving quality of the street environment

Aim 3. Work in partnership with cycling city york to create a range of cycling hubstations**Objectives:**

- 3.1 Open hubstation 1 in refurbished substation building at Lendal Bridge in spring 2010
- 3.2 Create secure cycle parking for 100 bikes.
- 3.3 Create facilities including lockers and showers for cyclists.
- 3.4 Provide a central point for donating and selling of recycled bikes and parts
- 3.5 Carry a range of discounted 'utility cycling essentials' (e.g. Lights, Locks, Batteries)
- 3.6 Provide emergency repair service for commuters, (priority for Hubstation members).
- 3.7 Establish a transport interchange (nodal point), providing food, and drink, loan of shopping trolleys, pushchairs and umbrellas.
- 3.8 Establish a meeting point for community cycling events and supported cycling
- 3.9 Create a focal point for cycling information and services
- 3.10 Increase training and volunteering opportunities in cycling
- 3.11 House our 'open-door' community workshop
- 3.12 Be a 'host location' for a city centre , bike hire scheme.

Aim 4. To provide training & education for cyclists & mechanics**Objectives:**

- 4.1 Deliver various elements of training and education for a range of individuals and groups, particularly for those in need (financial or otherwise), for young people and for women and girls
- 4.2 Create and develop 'Bike Angels' volunteers with a high level of skills
- 4.3 Develop a programme of training and education from recreational activity through to recognised industry standards/qualifications

Aim 5. To promote cycling through conservation, heritage, art**Objectives:**

- 5.1 Create and coordinate a group of volunteers interested in heritage bicycles which are conserved by/ donated to the organisation
- 5.2 Create 'Bike Art' from recycled bike parts for use as furniture or public sculptures

Aim 6. To develop a sustainable structure that delivers the above**Objectives:**

- 6.1 Create a financially sustainable organisation and structure
- 6.2 Create a succession strategy
- 6.3 Provide a wide range of development and volunteering opportunities
- 6.4 Establish a long term 'base/s' for workshop, storage and sales

7. PRODUCTS AND SERVICES

Existing products & services

- 7.1 The following are the current range of our services and products:
- a. **Second-hand recycled bikes, rare and obsolete parts.** All bikes are safety checked, guaranteed, and fully renovated. 'Hard to find' parts are salvaged, catalogued and stored, as they are essential for keeping older bikes on the road, and out of the waste stream.
 - b. **Retail** at below retail price, optional but utility 'extras' such as lights, locks, panniers. These are 'new' items (not recycled).
 - c. **Training in cycle maintenance.** Specialist in training for girls and women, and in maintenance of older-type bicycles e.g. Sturmey Archer hubs.
 - d. **Advice and training for volunteers and customers:**
 - i. **'Mend Your Own Bike' courses.** Volunteers can bring their own bikes, and are instructed on its maintenance and repair, as part of their volunteering experience.
 - ii. **'Earn a Bike' scheme.** Young people can work in BikeRescue in return for a bike of their own, which they refurbish themselves, with qualified assistance.
 - iii. **'Back on a bike' support,** for new and returning cyclists, offering advice, guidance, bike fitting, maintenance classes. Referring them to City of York Council's adult cycle training.
 - iv. **Advanced training.** For individuals from the other programmes who show promise. Can go forward to gain VeloTech or NVQ qualifications. Or train on learning placements funded by North Yorkshire Learning Consortium
 - e. **R&D of recycled products;** Furniture and household items made from bike frames and parts, fashion items such as bags, made from bike parts. The 'Phoenix' remanufactured bike brand is a major new development, taking bike recycling to the ultimate level. We are currently prototyping a preliminary batch of Phoenix bikes to assess viability.
 - f. **Promotion and marketing** including attendance at events, festivals and celebrations of cycling, and article in Press and radio and T.V.
 - g. **Special events/ promotions** – delivered on behalf of others, generally under a contract

Comments on current products and services

- 7.2 The top 4 items are 'primary' items – critical to achieving the 'vision'.
- 7.3 Items 1 and 6 are reliant upon donations from the public – without the supply of donated bikes, Bike Rescue could not survive/ achieve its fundamental aims.
- 7.4 We are currently successfully expanding the scheme into wider North Yorkshire to increase both input of materials and sales of recycled bikes.
- 7.5 Items 6 and 8 are valuable sources of additional income.

Future products and services - The Hubstation project

- 7.6 We are currently in the process of developing a new facility in the centre of York, in conjunction with the City of York Council. The facility, a disused electricity sub-station, will be leased to us by the Council (long lease) and converted into what we are calling the 'Hub station'.
- 7.7 This new facility, which we hope to open in Spring 2010, will provide a number of new services and products and these are set out below. The main purpose, and one which underpins why the Council are working in partnership with us on this project, is to provide the services of a city centre bike park.
- 7.8 There is a wide range of services that a cycle park can incorporate. Some are critical to include (i.e. they are key to the fundamental purpose), and some may be 'peripheral' but still important if they make the Cycle Park a financially sustainable operation. The services are:
- h. **Cycle parking** – cyclists drop off their bikes and pay a fee for secure, covered cycle parking. They can also purchase annual membership, offering additional benefits. The drop off and pick up system at peak times needs to be very efficient. Potential for: company contracts (guaranteed medium/long term income and marketed as 'company benefit' and 'corporate social responsibility/environmental policy'); short, medium and long term discounted rates for individuals, providing guaranteed income; medium or long-term income from overnight storage contracts for bike trailers/ load bikes and possibly emergency services. Yorkshire Ambulance Service have expressed an interest in using the Hubstation as the base for the Cycle Response units.
 - i. **Repair service** - specifically aimed at the 'short stay' market. On the way to work there's a problem with the bike - what the customer needs above all else is a 'guaranteed' way to get in to work and to get home again or to meet their next commitments (picking up the child from Nursery; the Dentist appointment). So the 'repair service' needs to be able to deliver a fast (within the day) repair and/or a courtesy bike. Priority for this service will be given to Hubstation members. Important supplementary services to this are a bike friendly taxi firm - they pick up you and your bike; you go to work; the bike goes to the bike park. It gets an emergency repair. Thus ensuring the problem is not quite the nightmare it could have been. (The bike friendly taxi firm was identified in the Cycling England bid).
 - j. **Showers and lockers** - cycling in from a long way out is very good for the body, mind, spirit, but maybe a bit sweaty and muddy for a meeting at 9.00am. What are required are a hot shower and a locker to store cycling kit/ bags. It's also important for the 'touring' cyclist who may have day/ overnight storage requirements for bike and bags. This service will be incorporated into cycle parking rates (1. above) as a key benefit; for others it is an additional cost item, or part of the membership package.
 - k. **Toilets** – needed for the above: nowadays there is an expectation of comprehensive ancillary facilities. However these may also act as a draw for a wider audience – tourers, tourists and families. For those not paying for any other 'service' these may be used as a 'discretionary spend extra' (i.e. buy an ice cream and you can use the toilets). The secondary advantage could be that once in the facility there may be further discretionary spend!
 - l. **Recycled Bike sales** – display area for bike sales. Currently our only regular bike sales 'platform' for refurbished bikes is a little way out of the town centre, (at Parkside Commercial Centre), and thus away from major footfall. This new site provides an extra, much better sales outlet, in a central location with a massively increased footfall. So this

new venue could significantly enhance our organisation's main income stream.

- m. **Equipment sales** – there is potential for a range of ancillary sales. Customers will include: those buying a recycled bike, who are likely to need a lock and lights; parts for repairs; to those requiring waterproofs, panniers, maps or just new batteries for lights. There will also be those who are upgrading/replacing equipment. The principle is to retail only cycle-related items that help to deliver the main aims and objectives so, for example, the Hub will not have vast displays of brand new bikes. The motto will be 'utility cycling essentials' at reasonable prices. Sales will include items made from recycled bike parts, e.g. bags, belts, ornaments etc.
- n. **Refreshments** – the hub does not provide sufficient space for a café or similar type of refreshment outlet. However, there will most certainly be a market for a range of drinks and possibly pre-prepared light snacks, bars and sweets. The mark-up on such products can be significant and the nature of the customers (potentially hot, thirsty, tired and/or hungry) may mean that this could be a significant income if there are volume sales. A key principle will be to minimise any preparation of these items. We will be flexible in this area, and without detracting from our core business, we will respond to customers needs.
- o. **Occasional ancillary hire items** – covers a range of possible services, including hire of: 'special needs' bikes; shopping trolleys; pushchairs; umbrellas. These would be 'branded' so providing advertising as they are used. It's a common sense approach that helps people with their everyday issues and reinforces the Hub Station's utility dimension. A very minor income stream but an important service.
- p. **Information and advice** - on general cycling issues and on routes. Access to City of York's award winning cycle training, and free maps. Links to Tourist Information and City of York Council's Road Safety team. Information posting-point for cycling clubs and ride organisers to publicise their activities. No income stream – part of the wider service of promoting and increasing cycling.
- q. **Other services/ links** - there is potential to develop a number of partnerships such as with taxi firms willing to carry bikes; Continuing our work with Safer York Partnership by helping carry out their cycle crime reduction initiatives, and providing CCTV on the nearby cycle racks (currently York's worst 'hot-spot' for cycle theft); Hubstation membership may provide additional benefits in the wider community, which will need to be negotiated. These may not be significant income streams but are strategic and/or joined-up initiatives aimed at enhancing the cyclist's experience.

Other future products and services

- r. **Phoenix: brand remanufactured bikes** - We are currently prototyping a preliminary batch of completely remanufactured bikes. These use recycled frames (older 'roadster' or 'racer' type), professionally refinished and rebuilt with a mix of refurbished old parts, and new modern parts, to create a beautiful and practical bike, equivalent to a premium new model. We have already produced one such bike, based on a classic 'tradesman's' carrier cycle, in duck-egg blue, with locally made baskets. This is now in everyday use by a local sandwich shop. The owner is delighted with the bike, and it has so far performed very well. Another 5 prototypes are being built at present, as time allows.

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8. CURRENT POSITION, AGAINST ORIGINAL TARGETS

- 8.1 At our start-up, the following were our milestones and objectives. We have reviewed these and appended the appropriate comments as to whether they: have been achieved; are still to be achieved; have been amended or discarded as no longer relevant/appropriate.

START-UP TO 6 MONTHS	COMMENT
Small premises.	Acquired 2 units at Parkside, August 2006
Recycling with mainly volunteer labour and ourselves.	Mike Brown joined as mechanic from day 1.
Retail outlet open at specific times of the week for bike and accessory sales.	Thursday evenings for first year, and then Saturdays
Run short courses for schools and youth groups, on our premises or theirs.	Not Yet. Subject to funding and time.
18 MONTHS	
Regular opening for public use of workshop	Not yet due to nature of workshop.
On-site courses for public and groups, particular specialist group courses via partnership organisations.	Several courses run successfully from year 2 on.
Established other product lines; sculpture, furniture etc, restoration of vintage and classic bikes., special needs design & build. Trailer design & build.	Done, restoration, others not yet. Series of 'show' bikes built for events.
Programme of 'Back on a Bike' courses for new & returning cyclists, offering basic maintenance training, picnic & pub rides etc.	Partially done
3 mechanics employed.	Yes
3 YEARS	
Larger premises, accessible to the public for longer hours, with shop area, café and info centre, cycling library & gallery.	4,000 sq ft over 6 units at Parkside. 5-day per week open. Other facilities at build stage in Hubstation project.
5 mechanics employed	2 fulltime, 3 part-time
5 YEARS	
Staff now comprises; Workshop Manager and Project Manager, Admin / book-keeper, volunteer co-ordinator, 8 mechanics, 2 shop workers, 2 café workers, 40 volunteers. It is hoped that some of our recruitment will be from those trained by us on our courses and programmes.	Current position – as at 3 years: Workshop, Project and Recycling managers, Admin/book-keeper (P/T); Volunteer co-ordinator, 3 mechanics (P/T); 2 Saturday shop workers, 1 customer service trainee, 15 volunteers. Cleaner, 1 A2E placement.
Established as a major training provider for youth groups and other disadvantaged or special user groups, via partnership organisations.	On target. Subject to funding.
Significant impact can be seen in the community by lack of cycle abandonment, lower theft rates and increased cycle usage (particularly in disadvantaged areas)	On target. Working with Cycling City and Safer York to achieve targets.

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9. SWOT & PESTLE ANALYSES

9.1 SWOT analysis

Strengths

- Commitment of staff to the business and the vision/concept
- The organisation 'model' (concept and operation) has worked for the last 3 years, with the business surviving through a traditionally difficult period (most businesses fail in the first few years)
- Local people continue to support the operation with donations and purchases (often multiple/repeat).
- Have established strong links with CYC and other major institutions in the City,

Weaknesses

- The volunteer base could be expanded to deal with fluctuations in demand – more people would help at the busiest times to shorten waiting times
- Support for the Directors is being put in place to help with wider business planning and development
- The need to deliver income has sometimes adversely affected strategic business development but this is common in most 'new' businesses

Opportunities

- The development of the Hub station with the support of the Council is a significant opportunity to increase sales and secure a more sustainable future for the business
- Cycling City status has raised the profile of cycling and increased income into the city, targeted at developing/ promoting cycling
- There is high potential for development of partnerships that can help the business through income and/or technical support

Threats

- The economic climate and pressure on public spending may affect waste policies and partnerships with key organisations and potentially affect some income streams
- Legislative or policy changes – see below
- Possible loss of Parkside Commercial Centre by its impending sale, diverting our energy from developing the Hubstation, into the search for appropriate new premises.

9.2 PESTLE analysis

Political

- National election within the next 12 months with a potential number of changes of approach, policies and legislation – in particular approaches to social enterprise e.g. currently a political initiative to use social enterprises to deliver waste reduction/improvements
- Current Council policies and LAA strategies support the aims and concepts behind the Bike Rescue initiative, and as a result, various Council departments have actively supported the project in a number of ways including the commitment to the Hubstation and support at the present Parkside units

Economic

- Most significant business competitors are retailers of low-cost new bikes. In general, new 'quality' bikes are 'more costly' options
- To date, effects of the current economic climate have not had a significant impact on the business: the organisation has no bank borrowing; pressure on disposable income has not yet adversely impacted on sales (we remain a 'cheap' alternative for getting a bike)-

however it is possible that the effects could have an impact on us and we may need to access some borrowing in the near future to help our wider vision come to fruition – we will need to minimise borrowing and to take account of potential increases in the cost of any borrowing as we move out of the recession

- Waste strategy section of the council has supported the organisation with grant as a recognition of the contribution we make to taking waste out of the waste stream. In a more challenging economic climate, with potential downward pressure on public spending, this may not continue, albeit that this grant support is not large, c£5k per annum
- Large grants for 'Community Interest Companies' have been hard to find over the last 3 years, which suggests that the main source of finance for major projects is likely to be loans – there are some banks who aim specifically to support charities and social enterprises

Social

- Donations of bikes remain very healthy – we have a significant stock to cover any temporary fall in donations
- Marketing needs to be strengthened to ensure: ongoing awareness of the organisation; continuing flow of donations; continuing sales
- The development of the Hub station is a crucial element to support sales – it will be the first time we have had a city centre site from which to sell

Technical

- The nature of the business operation requires significant technical input in order to deliver the main income stream – bikes must be assessed and 'refurbished' by technically proficient and appropriately qualified mechanics
- The creation of the new business operation at the Hub (i.e. cycle storage) will need to be effectively managed to ensure the new processes mesh and work with the existing business operation and do not adversely affect bike sales, which is/ has been the main source of income

Legal

- In an increasingly litigious society there are always risks of litigation – this could be a particularly tricky area for an organisation that is based around the recycling of previously used items
- The governance of social enterprises and how they are regarded by a number of sectors e.g. grant funders, is constantly developing/ changing. A new CIC structure, one with shares, has recently been introduced and this has potentially muddied the water for many social enterprises who may now have to deal with, potentially irrelevant, questions that arise over distribution of assets to shareholders and the ongoing vexed concept of 'profit' or 'not-for-profit' organisations

Environmental

- The green and environmental agendas are most likely to become greater imperatives, rather than less important, whilst the recession is likely to adversely affect peoples disposable income. This means there is an opportunity to use this as a dual marketing opportunity - a low cost solution that still delivers green/environmental agendas
- Recycling and avoiding waste going into the waste stream is becoming more important as landfill becomes ever more costly for local authorities

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10. COMPETITOR ANALYSIS

a. BIKE SALES

Bike Shops

- 10.1 These are one of the most 'obvious' competitors, with York having a number of 'specialist' bike shops across the City ('specialist' in this context defined as a shop that predominantly retails bikes).
- 10.2 These shops, generally located in areas of significant footfall or on high streets, mainly retail new bikes, attracting customers with displays, sales literature and long warranties. Free first services are usual in the trade. The shops retail a number of add-ons or accessories in order to increase spend, such as locks and lights. Customers may be able to choose from a variety of options such as wheel size, gears and colours, although this may mean a waiting time for delivery.
- 10.3 The issue for most retailers in the second-hand market is cost and profit margin – second-hand bikes are expensive because they: a) require workshop labour/ time to assess and then repair b) often need new/ replacement parts which can be expensive and time consuming because of lead times in ordering and can in some cases be difficult to source. Finally, the large 'mark-up' on new bikes also discourages shops from directing their customers to a second-hand machine – they can make more profit, more easily on a new bike sale.

Supermarkets and discount bike outlets

- 10.4 Many supermarkets and other retailers (such as car accessory retailers) have diversified into new bike sales. These are often cheap, imported bikes (often from the Far East) which may not be long lasting due to difficulty in sourcing parts or poor build quality. Some of these retailers will not provide any further specialist support whereas others may provide additional support post initial sale.
- 10.5 These bikes are a threat to our sales unless/until the public realise the difference in quality and longevity. Some people will always buy these new 'cheap' bikes, attracted by the low initial price for a 'new' bike and not necessarily applying much discrimination in terms of quality.
- 10.6 These types of bike sales not only affect our business in terms of initial sales but also in terms of entering our business as discarded/ unwanted bikes – these sorts of bikes often have little value either for repair and reuse nor for stripping for parts (due to poor build quality) and thus are only valuable as scrap metal.

Private sales and car boot sales.

- 10.7 There is a perception of a bargain with these sources of bicycles, but the reality is that bikes sold in this way are 'sold as seen' and there is no guarantee of any redress if there are any problems or safety issues with the bike. These ways to purchase bikes are not seen as a major competitor for 2 reasons: 1) to date there has not been a huge volume sold/ purchased in this way; 2) there is no guarantee or quality check with these purchases, so we are confident that we offer more security/ quality and so do not envisage a significant loss of sales to this sector.

Other recycling organisations

- 10.8 Within York, the only organisation recycling bikes, is a small operation carrying out Youth training, rebuilding a small number of bikes. These bikes are not generally sold to the public. We occasionally donate excess children's bikes to this organisation.

10.9 Within North Yorkshire, Harrogate Rotary Club send a small number of donated bikes to Third World countries, and a small Youth operation in Thirsk rebuilds a few salvaged bikes. We will be working with both of these as part of our expansion into North Yorkshire.

b. ACCESSORIES & SPARES

10.10 A significant income stream. We began selling good quality locks and lights at below retail prices, to encourage safety and security. We continue to sell these, but are gradually expanding our range of utility 'essentials' (e.g. Oil & lube, mudguards, baskets). At the Hubstation, the expanded range will largely consist of utility essentials, but we intend to specialise in hard-to-find items which the mainstream trade does not offer (e.g. Dutch rainwear and panniers). We are sourcing a range of such products, made from recycled materials such as tyres, fire hoses etc.

10.11 A significant income stream has been the bulk supply of locks and lights to various organisations wishing to offer these to their clients and employees.

10.12 We supply a 'niche' market for obsolete and rare, used parts for older bikes, which cannot be obtained through the normal channels. We are currently looking at expanding our EBay activities in this sector.

c. TRAINING

10.13 Locally, Velotech offer 'Industry' training, and we work closely with them (their premises in our building and we use their facility for our own courses). Velotech do not compete directly with us because they specialise in high-level industry training.

10.14 We developed a specialism in offering courses for women and girls. These proved highly popular, and this sector is not a target group for Cycling City York, so we are working closely with Cycling City York in developing a range of such courses, which inspire and empower women and girls to cycle more. We intend to continue offering these courses as funds allow, in the Hubstation premises.

d. CYCLE PARKING – FUTURE SERVICE

10.15 There are a number of uncovered, public cycle parking stands around the city, against which the public can secure their bike with bike locks. The disadvantage of these units are that they are open to the elements, to vandalism or to theft, particularly if the bikes are unsecured or poorly secured.

10.16 Some employers provide 'secure' parking for their own employees, either indoors or in gated compounds. However for most members of the public there is no guaranteed secure, covered cycle parking in the city centre.

10.17 Our intention is to provide a 100 or more secure indoor cycling spaces for commuters, general public and tourists at a low cost. The only competition is the free, uncovered cycle parking facilities within the city and railway station, or those of a cycle-friendly employer. Our intention is to provide added value to our service through the provision of showers, toilets and emergency repairs, alongside the other facilities offered by the Hubstation, which we believe will encourage wide take-up of the service.

- 10.18 We are aware from our research, that there will be demand for 'contract' parking from local employers, and we have been approached by Yorkshire Ambulance service, who are seeking a new base from which to operate the Life Cycle paramedic unit.
- 10.19 We are looking at this Hubstation as a pilot programme, which if successful will be duplicated to cover other areas of the City.

e. OTHER PRODUCTS & SERVICES

- 10.20 There is a range of other services that we provide but which are not fundamental to our core business but that nonetheless can provide, in some instances, significant income. There are some 'competitors' in these fields but we often work alongside others in these markets. The services are:

Bike Festivals

- 10.21 In 2007, we organised and staged a major cycling festival at the National Railway Museum. Although we have not made this part of our core business, some aspects have remained in our repertoire. Particularly activities for women, girls and families. We have also amassed a collection of historic bikes, which we display at events.
- 10.22 Get Cycling is our only major competitor in this field. Get Cycling specialise in offering 'road shows' nationwide, and are not very involved in the local community, or with smaller or 'niche' events.

Guided bike rides

- 10.23 As part of our girls' training courses, we have organised some short rides. Family 'picnic' rides are part of our future plans. As part of Cycling City York's programme, there are a number of guided rides on offer (e.g. over 50's rides), and we aim to compliment these with our own range of family rides and maps (currently under development).

Bike sculpture, jewellery and furniture

- 10.24 These are niche products, and while there are a few makers around the world, the market has room for more. We have built a small collection of unusual 'art-bikes', and continue to expand this. These are not for sale, but for exhibition and events. Jewellery and furniture are in the research stage, awaiting time and money for further development.

WHAT ADVANTAGES DO OUR COMPETITORS HAVE OVER US?

Bike Shops

- 10.25 Attract customers with longer warranties than we are able to give, and with on-street shop fronts. Free first services are usual in the trade, and customers may perceive (incorrectly) that they have more statutory rights when buying from a bike shop than from us. Their products are also supplied with sales literature and display materials to make them attractive.
- 10.26 Shops premises are usually smarter and in 'handier' locations than we could justify. For people seeking a particular brand, there is an advantage in going to the franchised dealer.

Private sales and car boot sales.

- 10.27 There is a perception of a bargain with these sources, but we are confident that we offer far more security, and do not envisage a significant loss of sales to this sector.

Discount outlets & Supermarkets

- 10.28 The most significant threat to our sales. Marketing power, seemingly attractive product, and the 'impulse purchase' psychology help sell these bikes. Their market is slightly different from ours however, with many bikes going as presents for children (where their bright shininess appeals over a recycled bike).

Other training Providers

- 10.29 They have experience and sales know-how, and they know their target markets well. However, our training programmes will be unique, and this makes them appeal to users in a way in which most programmes could never hope to. Our Not-for-Profit status and low overheads can make our training very competitively priced, and we can help seek funding.

CONCLUSION – COMPETITORS

- 10.30 The ethos of our business is to sell quality, refurbished bikes.
- 10.31 Cycle Heaven sell used bikes but this is very unlikely to change to become high volume – it is not their primary business and would require a significant change of business direction for them to gear up to be able to turnover large quantities of old bikes – for example they would need a huge extra space, away from their current premises, even to start up. With the much higher profit margin on new bikes, they are 'unlikely' to move away from their primary target of the 'new sales' market. Since our inception, the proprietor of cycle Heaven has been supportive of our work. They often donate 'trade-in' bikes, and offer us a trade discount.
- 10.32 We do not compete with the bike shops on retailing new bikes and the majority of them don't sell used bikes, so there is no direct competition from them - indeed most shops have been very supportive of our project, and some have even pledged donations of cast-off parts and 'dead' bikes. The relative costs of new, 'quality' bikes to our refurbished bikes is significant and means that customers have a clear choice on a similar standard of bike: 'new' bike at a premium or 'refurbished' at a huge discount. We use this 'differential' as a sales tool, to emphasise the good value offered by our bikes. The Government's 'Cycle-to-work' salary sacrifice scheme has affected our sales of 'premium' bikes, having reduced the new-to-used price differential.
- 10.33 Perhaps oddly, the most direct competitor, and/or challenge to our business model, is the low cost 'supermarket type' retailer who competes with us on price and who also has to provide a basic standard of guarantee. Our strategy with this competitor is education of the consumer, vis-à-vis quality and longevity of the product. We are noticing a gradual moving away from the 'disposable' culture, with people wanting better overall value for money, and a more ethical product. Most new bikes are now shipped from the Far East and therefore have a large carbon footprint. Our Unique Selling Point is that we preserve the 'embedded energy' of a bicycle.
- 10.34 Our other U.S.P. is that each of our bikes is a unique individual, created by its previous life history, not a 'clone' off the production line. Customers can further personalise their bikes at point of sale, by specifying saddles, handlebars etc.
- 10.35 There is another significant issue related to the above competitor, which has the potential for significant impact on our business – that is the 'hard sell' of loss-leader cheap bikes, in order to maximise footfall and related spend. The customers' poor experience of 'cycling' is harmful to cycling as a whole, and we often need to re-educate people, and work hard to fit people with the right bike, to reinstate a positive love of cycling. These worn-out wrecks are of little use to us, as their parts are of too poor quality to re-use.

11. MARKET ANALYSIS

CUSTOMERS

a) Purchasers of recycled bikes – customer analysis

Students

- 11.1 York has two large Universities:, York University and York St. John University. The universities are expanding. York University will double in size over the next 20 years. The student population is predicted to rise from 10,000 to 16,000 and number of staff from 3,000 to 5,500. Both universities advocate cycling and encourage students and staff to cycle rather than use cars.

People on Low income

- 11.2 Although York is relatively affluent, there are 8 super output areas that fall within the 20% most deprived and 1 SOA which fall within the 10% most deprived in the UK. Low-cost refurbished bikes offer reliable transport for those who do not have access to a car or who cannot afford public transport. We will always try to meet the transport needs of deprived or disadvantaged people by offering them a quality bike that is within their budget. We offer low-cost repairs and spares, helping to keep their bikes on the road.

Environmentally conscious individuals

- 11.3 Bike Rescue appeals to people who are looking to lessen their impact on the environment. Cycling is an environmentally friendly mode of transport and all the bikes we sell are recycled. Bike Rescue not only promotes cycling, but promotes recycling and re-use.

Specialist and vintage bike purchasers

- 11.4 We often have specialist bikes available, from tandems to vintage bikes. We would also appeal to anyone who might want 'something a bit different' as we have many bikes that are distinct. Recently, our sales of old 'racer' frames and bikes has picked up considerably, due to a fashion for rebuilding these machines into 'fixie' (fixed wheel) messenger-style bikes. We also stock unusual bike accessories such as Dutch bike bags and saddle covers, and old-fashioned bells. We also have a range of specialist bike parts that are no longer in production or are not readily available from retailers.

Leisure and recreation cyclists

- 11.5 Low cost, reliable bikes are ideal for occasional cyclists, who enjoy leisurely rides with friends or family on weekends and during the summer months. We also stock a range of children's bikes, and accessories such as child seats and trailers.

Commuters

- 11.6 With restricted access and expensive parking in the city-centre, bikes are an ideal way to travel to and from work in York. According to the 2001 census, 12% of journeys to work in York are by bicycle. York is well known as being a cycling city. Its topography and relatively compact nature make it a good place to consider cycling.

Customers needing repairs

- 11.7 We offer a repair service to the general public, ranging from punctures to servicing bikes. We can also carry out emergency repairs for anyone who may have any problems with their bike and need it to continue with their journey. The accessibility of our depot, being situated near the City centre, on a major cycle routes, adds to the convenience of this service.

Customers who want training

- 11.8 We run a number of training courses in partnership with Weldite. We are the only organisation based in York that offers courses of this type. Our bike maintenance courses are always popular. We also run courses for women cyclists in bike maintenance.

Girls and boys

- 11.9 It can be quite difficult for girls and boys to remain interested in cycling, as they get older. Boys and girls have different needs, so we tailor our training to suit these needs. With girls, we try to ensure that we use female instructors. Feedback from girls on our courses has confirmed the benefits of a female-only environment. Our Art Bike sessions give girls and boys the opportunity to decorate a bike and personalise it how they wish using a range of arts and crafts materials. Boys enjoy spray-painting bikes where they design and paint their bike, learning new techniques and skills. They particularly like the 'Earn-a-bike' scheme, and like to be involved in designing crazy bikes. Boys enjoy being able to use tools in the workshop, and engaging with male role-models.

Volunteers

- 11.10 We now have a volunteer co-ordinator, and there is a waiting list for volunteering. Our volunteers come from all walks of life, with a common bond being the desire to learn about bikes, look after their own bikes, and help the project. Some of our volunteers have progressed into working for us. As there is a national shortage of cycle mechanics, we see this as a very important way of sourcing our future staff.

Apprenticeships

- 11.12 We have just taken on our second person under A2E placement. Our first apprentice has achieved NVQ level 2 in Customer Service. In the future we would like to offer more apprenticeships, as funding allows.

b) Hub station /cycle park customers**Commuters**

- 11.13 Cycling commuters who cover serious distances to and from work, and who spend a great deal of their disposable income on bikes. Where do you park a super light, fast road bike worth £2,000? At present if you own this sort of bike you wouldn't use it to commute, as it is likely to be stolen. Key aspects: bike security; location; opening hours.

Everyday cyclist

- 11.14 The everyday cyclist /commuter who uses a bike to get around, who doesn't want to take the car. They want to get a bit fitter, and two or three miles a day is just perfect most of the time. Key aspects: location; security; covered; opening hours; trolley/brolley loan, parts & repairs.

Those for whom a bicycle is a life line

- 11.15 For example, they can't afford a car; the journey to work would require two buses, and cost so much per week that it is out of the question. Without the bike, how do they get to work, go shopping, and move about the city. These people find it extremely difficult to manage without their bike - it affects their whole life when it goes. Key aspects: security; location; repairs/ services, availability of low-cost bikes.

'Combination' cyclists

- 11.16 Cyclists who combine cycling with other forms of transport: getting the train, picking up a lift for car sharing, using the new WhizzGo cars when they need to, or picking up a hire bike, for a few days while here for work or leisure. A cycle park is a nodal transport point in these terms. Key aspects: location; possibly ancillaries such as showers; opening hours.

Recreational cyclists

- 11.17 Occasional/recreational/pleasure cyclists. Get on the bike at weekends; days off and with the family. Probably looking for safe routes and easy parking close to shops and entertainment, particularly if with the family. Key aspects: location; opening hours; information and ancillary facilities such as toilets & food.

Touring cyclists

- 11.18 Touring cyclists, visiting Britain's cycling city, have somewhere central to leave their bike, and all their baggage, while they take a tour of the city. When they're ready to go, they will find maps, information and friendly advice to enhance their visiting experience. Key aspects: security; information and ancillary facilities including showers, toilets and left luggage; repairs.

Sports & fitness cyclists

- 11.19 Sports/fitness cyclists. Committed, local cyclists who might be individuals or a member of the local club where fitness, training and events are an important part of a lifestyle choice. Key aspects: services; ancillary facilities including toilets; possible meeting point.

MARKET SEGMENTATION

- 11.20 Bike Rescue has identified six major market 'segments' for recycled bikes. These are:

- Students
- people on low income
- people switching from driving to cycling for various reasons.
- Ethical shoppers and supporters.
- Agencies who can subsidise bikes for their clients.
- Agencies who need to train groups or individuals

Students

- 11.21 The three major further/higher educational establishments in the City, York University, College of York St John, and York College, actively encourage students to cycle rather than use cars, for which parking space is at a premium. There are currently over 15,000 students, expanding to 25,000 in the next 5 years. Traditionally high cycle use in this sector. Looking for low-cost reliable cycles. Often looking for 'cool' or 'retro' bikes.

People on low income salaries

- 11.22 York has a low level of average income with high living costs, leading to low disposable incomes among large sectors of the population. Buses are expensive, and unreliable due to traffic congestion. York's topography is ideal for utility cycling. York's Local Transport Plan, LA21, School and Workplace Travel plans, and the Safe Routes To School programme all support utility cycling. York's status as a 'Cycling City' supports this.

People switching from driving to cycling of various reasons

- 11.23 Pressure on motorised transport due to congestion, high parking costs and recession, 'Respark', and unreliable journey times, is increasing modal shift towards the bicycle. Cycling is losing its 'poor man' image as health benefits and the 'green agenda' are given a higher profile. Likewise large employers and facilities (e.g. Hospitals) face a constant parking problem, both for staff and visitors.

Ethical shoppers and supporters

- 11.24 A significant proportion of our customers choose to shop with us, and they tell us this. Either they believe in recycling and make ethical consumer choices on this basis, or they are supporters of our community ethos. We have letters of support from these customers. These are often repeat customers, not only for bicycles but for other products and

services, and often donate to the project or volunteer. They are prepared to wait. We keep a 'wanted' book for specialist items.

Agencies who can subsidise bikes for their clients.

- 11.25 We have occasional requests from agencies needing a bike to support their service users in various ways, e.g. getting to a new job or college course. We supply these needs where we can, with free or subsidised bikes.

TARGET MARKET SEGMENT STRATEGY

- 11.26 We choose to sell bikes to students and people on low incomes, even though they are often loss-makers, because 1) it is part of our community remit as a C.I.C., and 2) we realise that we will also sell ancillary products and services to these people, and keep them as long-term customers.
- 11.27 We are keen to support anyone switching from driving to cycling, and do our best to offer the kinds of bikes to suit their needs. We try to be as open and approachable as possible, taking time to give them information and tailoring the bike to their needs. We choose to target this segment because they are often affluent, have done their sums, and are a market for our 'premium' bikes and accessories. These people will very often return with their family and friends, or promote us to their colleagues and associates.
- 11.28 Ethical shoppers may or may not be one of the above, and our product sells itself to them. They come to us as first choice, so we try to make sure they get what they want.

MARKET TRENDS

- 11.29 The market seems to follow a similar pattern each year. January and February are usually quiet, but not so much as in the mainstream cycle trade. Our customers tend to be 'year-round' essential users, and we gain customers when money is tight at this time of year.
- 11.30 We are known as a good source of lights, and lighting law is enforced in York, with fixed penalties. Our general trade picks up in spring, and is quite weather dependent. There is a peak during each school holiday. From May to September the market picks up again as the weather improves, evenings lighten, and the schools have summer holidays.
- 11.31 From mid September until mid November we have our busiest period, with returning students, or those departing to other universities all want a good cheap bike at the same time. This is in contrast to the mainstream bike trade, which slows down at this time. In December we have a small Christmas rush, but not so pronounced as the mainstream trade, with its emphasis on new childrens bikes.

STRATEGY AND APPROACH TO THE MARKET

- 11.32 Bike Rescue will pursue a niche strategy and target people that want cheap reliable second-hand bikes. There are no other companies in the area that solely target this group of customers.
- 11.33 We have been getting better known by word of mouth and some of the awards we have won for our continued contribution to the community, such as the Crimebeat Award.
- 11.34 It has never been our policy to spend excessively on expensive media advertising, but to pursue an alternative advertising strategy, by producing interesting news stories for the

press, by being highly visible with our brightly painted advertising bikes placed around town, and by attending cycling and community events.

- 11.35 We advertise our collection services in local and parish magazines and in City Council literature and free press. We attract ethical customers by having a page on yorkrecycling.net, and specialist customers contact us via our flickr.com site and our participation in cycling internet fora. We target the student market by attending freshers week events, special 'cycling promotion' days, and by having a stall selling bikes and accessories at the colleges.
- 11.36 The move to the Hub station will obviously provide us with a much higher profile and we are considering developing an outline marketing strategy to underpin our operations.

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12. MANAGEMENT AND STAFFING

- 12.1 The BikeRescue management team consists of Project Manager/Director and the Workshop Manager/Director.
- 12.2 We are about to expand the board of Directors in keeping with the expansion of the business. Mike Brown, who has been our senior mechanic from day one has become a Director – two new potential non-working directors are about to be appointed
- 12.3 We are seeking people with accounting and legal expertise to join us.
- 12.4 Bernie Cullen, Project Manager (see below) has recently taken a Business Mentor to support her in the next stages of the organisation's development
- 12.5 The details of the management /staffing structure are set out below:

Co-Director & manager: Bernie Cullen. Project Manager - Director

Special responsibility; business development/office manager.

Age 51, mother of two children, varied career including, Hospital Technician, Bicycle Mechanic and early member of York Cycleworks co-operative, Artist, Sign Language Interpreter and Learning Support Tutor , Partner in Documentation Business. Qualifications include: BA(Hons) Fine Art, HND medical microbiology, BSL sign language level 3, Involved in many voluntary projects over the years: set up New Albion short life housing co-operative in Leeds in 1981, applied for and was awarded funding to set up Leeds Deaf Video project in 1984. Set up and Ran 'In.tuition', an Adult Education Initiative based at York Steiner School, received support from Alistair Gourlay to do this and was a member of S.A.L.L.Y. for a short time . Have spent time at all kinds of community projects, in England and Scotland, and have lived and worked in co-operatives, very committed and experienced in working with groups of people.

Co-Director & manager: Mick Brown, workshop Manager

Working background in engineering and fabrication, and the worked for 14yrs at the GPO Age 49 father of two children, interests in Football, snooker ,cycling lat competition level Long history of involvement in the bike trade (father was a bike mechanic). Managed bike retail shop for 5yrs. Worked at Bike Rescue from the outset and involved in the day to day running. Qualifications in: welding certificate, 'platinum plus', velotech industry cycle certification

Mechanics	– part-time/casual - 3
Volunteer co-ordinator	- 1
Trainees	- 3 part time
Customer Service/shop workers	- 3
Cleaner	- 1 part time
Volunteer helpers	- 15 in the pool, with variety of skills/ enthusiasms.

- 12.6 In the future, at the Hubstation, we will be taking on the following extra staff:
1 mechanic, 1 trainee mechanic, 2 reception/shop assistants (full time)

Record Keeping

- 12.7 The following is a brief summary of some of the management records/ recording methods currently used:

a) Waste management statistics & Logging of bikes

Each bike receives its own number on receipt at our premises.

Number is entered on database, and paper sheet is begun for bike.

Details recorded include:

- Source (e.g. Amenity Site, Police).
- Status (e.g. Refurb, spares, other use, scrap).
- Extra work done (anything over normal refurb).
- Sale price
- Date sold or donated, name & address of recipient.
- Type of bike (Mountain, Racer etc)

Data is used to keep track of:

- Numbers saved from waste stream, (with tonnage).
- Proportion re-used, used for spares, used for other purposes (e.g. sculptures, special needs conversions), and sent for recycling (with tonnage).
- Sale details in case of warranty or liability claims.

b) Employees, Health & Safety

Statutory records are kept in respect of Employee and volunteer details.

Statutory Accident book and procedure used.

Necessary Employers Liability Insurance in place.

c) Regulation

Annual accounts are compiled by HPH Accountants, and submitted to Companies house as required.

Necessary records are submitted to the C.I.C. Regulator annually.

Meetings, both Staff and Directors, are minuted.

Exemptions from classification as a waste processing facility, and exemption from Waste Carriers Licence (Environment Agency) are held.

In July 2009, we became V.A.T. Registered.

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13. MANAGEMENT PHILOSOPHY

13.1 The following statement of aims will underpin the management and operation of this project and its facilities:

To be:

- ❖ A bicycle re-use and repair resource for the whole community
- ❖ A source of affordable, second hand bikes and parts
- ❖ A facilitator between cyclists and the Council in terms of sustainable transport
- ❖ An ambassador for use and refurbishment of bicycles
- ❖ A vehicle for volunteering and community participation
- ❖ A vehicle for cycle mechanics training and education
- ❖ A long term resource for the whole community
- ❖ A positive community partner
- ❖ An advocate in the involvement of women & girls in acquiring manual skills
- ❖ Adding a new dimension to cycling provision in the U.K.
- ❖ Enabling a more accurate delivery of the vision of York as a European cycling city

To provide:

- ❖ Quality community cycling facilities that encourage use
- ❖ Career opportunities on the basis of interest and ability
- ❖ An environment free of discrimination
- ❖ Enhancement of cycling fun and enjoyment
- ❖ A safe and secure environment
- ❖ Opportunities for girls to be involved equally, in a traditionally male environment
- ❖ Financial sustainability
- ❖ A focal point for cycling activity
- ❖ Facilities that meet the needs of utility cyclists

13.2 These statements encapsulate the way that the project and facilities operate.

13.3 All staff employed, or volunteers involved in the project are expected to apply these principles in order to make the scheme a success and to help achieve the objectives.

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14. FINANCIAL PLAN

- 14.1 The attached figures (separate sheets) are based on what we believe to be a reasonable estimate of income in the first three years, based on both: a) our previous operations; and b) taking account of the income and expenditure forecasts for the new programmes and services at the Hub Station.
- 14.2 The figures do not include any extra potential income from other grant sources (excepting core funding from the City of York), although we do intend to apply to various funding bodies for support. There are 3 reasons for not including such income in our projections at this stage: a) it is more difficult for CIC's to find grant sources than traditional charities and voluntary organisations (mainly because they are a 'new' type of organisational structure and many funders have not yet expanded their eligibility criteria to incorporate CIC'); b) such grant funding is speculative until confirmed and therefore we cannot guarantee it as income; and c) it is likely that these grant applications will have specific outputs and outcomes and/or may be project based, incurring their own 'project spend'.
- 14.3 We have been as accurate as possible with our expenditure projections - they are based on us now having successfully traded at Parkside Commercial Centre for three years, gradually building up our project to the point where it can be self-sustaining.
- 14.4 The figures show that we will be in profit by the third year without extra grant funding, which we think will be a great achievement, and allows the Hub Station project to be a resource for the community, which they can rely upon for many years to come, and which can be used as a pilot project and then replicated in other parts of the city and indeed the country.
- 14.5 Other sources of income may be available in the first year such as income from use of the workshop as a training area for other agencies, or from training courses for the community, which Bike Rescue will run in the evenings and at weekends. This has not been included at this stage because: it may be relatively minor income; we are not sure of the extent of the market at this stage; it is not in itself a major priority for us when compared with our main purposes.
- 14.6 We have not included income from any extra programmes of activity (such as our courses for women and girls) in the first three years, although some additional support for specific areas of our work may be possible from cycling city or related sources. These projects will be self-financing, with applications based on full cost recovery. (See also 13.2 and 13.9).
- 14.7 The revenue funding support which we receive in the next two years from the Cycling City budget will go towards preparations for the move to the Hub Station and supporting us in the generation of income to become sustainable. We are investing in further training for all our staff with the help of Business Link social enterprise specialists, and in new equipment which we can take with us when we move e.g. lockers, safety equipment and overalls for volunteers and more tools and work-stands
- 14.8 We are able to be flexible in our approach to the Hub Station expansion in that we will seek to find other sources of funding for fitting out the Hub Station should there be a shortfall in the costing when it comes to building works.
- 14.9 We are intending to apply in the near future to the Big Lottery 'Reaching Communities' fund for a grant to help provide a cushion of support, underpinning our revenue funding in the first few years. We also have a good relationship with our Bank who are pleased with how we manage our account, and if the need arises, such as for additional capital for Hub station equipment, we hope they will be willing to look favourably on us with a loan if necessary.

15. FACILITIES

Current

- 15.1 Our current premises are located at Parkside Commercial Centre on Terry Avenue, just a short walk or cycle ride from town centre. They consist of 6 light industrial units, totalling approx 4,000 sq ft of space. There is also a car park and other necessary facilities.
- 15.2 These premises house our recycling depot, and are also used as the retail outlet, and drop-off point for donations. They are leased from City of York Council.
- 15.3 The Parkside site is prone to flooding, and although the buildings have never flooded, being raised on a 1.5metre platform, the yards flood for approx 10 working days per year. Emergency access during floods, from Vine Street, is provided, somewhat reluctantly, by the adjoining caravan site, as part of their lease terms.
- 15.4 This site is currently being 'run down' by City of York Council, as they are to be offered for sale (scheduled for November 2009). We are considering setting up a development trust to purchase the site, partly for our use and partly as a managed workspace for the community. We are also looking for other possible new locations should the above prove impossible.

Future

- 15.5 Work is about to commence on conversion of Lendal Bridge Substation building, on Wellington Row, to be the Hubstation. This will provide the facilities listed elsewhere, including our workshop and main office space. We will still require warehousing and depot facilities, as the Hubstation is not large enough or suitable for this purpose. Should we retain Parkside, the two sites are easily travelled between, by half a mile of flat cycle route.
- 15.6 Further into the future, should the Hubstation be in high demand from customers, we would be looking to open other similar facilities at other strategic entry points to the City centre (Monk Bar, Piccadilly etc) and offer our expertise and experience to other cities.
- 15.7 We continue to hope that we can negotiate the establishment of a bike collection point at or near the Household recycling centre in order to capture bikes before they technically 'enter the waste stream' and become the subject of lengthy and technical legal paperwork to 'extract' them – easier to capture them before they enter.

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16. SUCCESSES

- 16.1 As we reviewed our original 2006 business plan in the compilation of this document, it became astonishingly clear just what a success the BikeRescue Project has been, and continues to be. The number of 'departures' from the original plan also reflects our flexibility, and ability to sieze new opportunities as they arise. The Hubstation has been the major new facet to our business plan, taking on a life of its own which could not have been anticipated.
- 16.2 Also apparent is the extent to which we have become self-financing, relying remarkably little on Council and Grant support, compared to other such schemes in the U.K. This is largely due to long hours and hard work by our wonderful team of dedicated staff and volunteers, and the continued support of the people of York, who have embraced our ethos enthusiastically, spreading the word, donating bikes, and in many cases lending a hand.

a) The Recycling operation – Reduce, Reuse, Recycle

Reduce

- 16.3 In 2007 we started to offer a repairs service, This now comprises about 25% of the workshop's time, and is a profitable income stream, despite our U.S.P. being the use of good salvaged parts and keeping costs down compared to the mainstream shops. Sales of parts and consumables to 'home maintainers' has also increased, and an expansion of this activity is in process now, with a revamp of the Volunteers' 'stripping' area and processes. These activities actively reduce waste by keeping usable bikes on the road.
- 16.4 Our home collections service is now expanding into North Yorkshire (this will increase our supply of bikes in anticipation of the Hubstation's retail outlet), We hope to divert even more bikes from the crusher, further reducing waste.

Reuse

- 16.5 Of the 4,200 bikes so far diverted from the waste stream around 66% are reused as bicycles, i.e. refurbished for sale or donation to new owners. The impact of this can be seen every time we go out into York – 2,600 more bikes on the City's streets cannot go unnoticed, and we find ourselves 'spotting' our bikes on every trip into town! It makes us very proud - BikeRescue's rescued bikes are everywhere!

Recycle

- 16.6 At the point of receipt and logging-in, each bike is given a basic inspection of its viability as a refurbishment prospect. Every bike that cannot viably be refurbished is stripped of any useful parts.
- 16.7 Reasons for rejecting a bike from the refurbishment process are many, and we have become rather more 'ruthless' over time, as the economics become clearer to us : for example, an hour of workshop time represents £20, so spending 2 hours freeing a stuck seat post on a 'non-profit' £50 bike does not add up).
- 16.8 However, since we have been more strict in our selection process, the quality of bikes being stripped has increased, creating a higher quality of spare parts supply for the workshop. These parts are used either in the refurbishment of the 'reuse' bikes, or in repairing customers own bikes.

- 16.9 During the severe supply shortages which hit the cycle trade in 2009, we have been in a better position than most shops, in having stocks of many items which others were struggling to source from suppliers.
- 16.10 The 'remains' of the bikes are taken to a metal processors to be recycled.
- 16.11 Our research continues into further uses for scrap materials. Freewheel blocks can be made into attractive candle holders, innertubes into bags, tyres into composters, and many more. Time, and the funding to make the time available, are the key aspects here.
- 16.12 In the future, we hope to develop managed workspaces for people with special needs, or to work with existing workspaces, to manufacturs such items.

b) Education - courses and training

- 16.13 In Year 1, we established the 'Earn-a-Bike' programme, under which young people can volunteer to help the project, and after working for a number of hours, 'earn' themselves a bike, which they refurbish with our mechanics.
- 16.14 The first six young people to take up this scheme were entered by our local Police Officer into the Crimebeat Awards (a prize for projects which divert young people away from criminal activity). The team of six put together their own presentation and entry, including a DVD, and they won the award.
- 16.15 Three of our volunteers have so far been trained to industry 'gold' standard by Velotech Training, and two of these are now working part-time as mehchanics for Bikerescue. There is a chronic shortage of good mechanics in the industry, so it is our policy to 'grow our own' for our future.
- 16.16 One of those early 'Crimebeat' team has recently started work for us as a trainee mechanic, and is progressing well. He will be breaking off shortly to take up Further Education, but he hopes to work with us again in the future.
- 16.17 As we compile this document, our first Apprentice, Ian, has just passed his NVQ level 2 in Customer Service. Ian is also studying for his ECDL at York College. Ian came to us via E2E, and we have arranged this training through Train to Gain.
- 16.18 Ian's apprenticeship is partly funded by Greenboard, a charitable fund run by the Casalotti family, which funds young people looking to make a change in their lives. Ian's background was not good, having taken the well-worn path through the care system, unemployment, drugs, crime, and the courts. He is now turning his whole life around to the extent that his loved-ones say he is hardly recognisable. We are continuing to develop Ian's work and training, and hope to be in a position to offer him full-time employment in the Hubstation. Ian's success is a wonderful example of what can be achieved through the medium of engagement with the bicycle.
- 16.19 We have just taken on another person on placement from E2E. This young man came to us a a volunteer, and displayed aptitude, which we hope to nurture and develop.
- 16.20 As central government demands more structured activities and opportunities for offenders and excluded youth, and parents seek more interesting holiday activities for their children, the provision of this kind of training and activity has become an expanding market, with increased use of outside providers of training aimed at young offenders, excuded youth, holiday schemes etc.

- 16.21 For the future, there are a number of other potential users include charities for those with mental health problems, learning disabilities, convalescence needs, and those working with groups such as refugees.
- 16.22 We can offer flexibility, and adapt our training to suit the user. Our training is interesting, engaging, fun and meaningful, and can even lead to employment in an area where skills are in short supply.



17. RISK ASSESSMENT

Risks to The BikeRescue Project.

- 17.1 From the beginning, we have been aware that there could be considerable risks involved in our venture, both the Bicycle Recycling Scheme and the Hubstation.
- 17.2 The initial start-up risks we took on entirely alone, fuelled by our belief in the project, and our determination to succeed. We are not risk-averse, but we are extremely risk-aware. As Directors, we know that our own livelihoods, and those of our team, are at stake.

Capital and finance

- 17.3 Under-capitalisation is the most obvious risk in the recycling project, and we have had to postpone certain developments rather than borrow funds, or use capital which was needed for the running of the project. We will always prioritise the sustainability, and everyday running of the project, staff wages etc, over developmental ideas, when managing funds.
- 17.4 In our 3 years of operation, we have maintained a good working relationship with our bank, and satisfactorily maintain our solvency, with a very small overdraft facility. We have been assured by the bank that we would be in a strong position should we ever need to apply for finance or overdraft facilities.
- 17.5 Fundraising for the Hubstation has been our riskiest venture to date, and we are aware that the terms of the Asset Transfer will put any risks on BikeRescue rather than City of York. The Cycling City award (for which the Hubstation was a central part of the bid) involved us in a lot of work, but has secured the bulk of the funding necessary for start-up of the Hubstation. We are continuing to seek extra funds in order to secure its future, although our financial forecasts show that the Hubstation should be financially sustainable.
- 17.6 The possibilities for purchase of Parkside are being investigated in the same risk-aware manner. This is at a very early stage at present.

Sales fluctuations through the year.

- 17.7 Apart from our 2 full-time mechanics, our staff are all employed on the basis that their hours are flexible, and the winter periods may be quieter. This maintains our flexibility to cope with fluctuations in the market.
- 17.8 We also maintain our stock levels, and prioritise our publicity, to create the smoothest possible annual sales flow, without the marked peaks and troughs which afflict the cycle trade as a whole.
- 17.9 Bicycles are traditionally a 'summer' product, but the nature of our business, and the utility cycling culture of this City, help to maintain a relatively smooth annual sales graph.

- 17.10 Working with partner organisations (Safer York, University of York etc), we have developed several regular bulk purchase contracts which help maintain cashflow over the quiet periods.

Risks for Investors - The BikeRescue Project

- 17.11 In the recycling project, there has been little investment from outside, other than grant funding, and a small overdraft from our bank.
- 17.12 We always look closely at the requirements of grant funders, in terms of outcomes expected. We have ensured that the expected outcomes are met, and reported back to the funders.
- 17.13 The risk for grant funders of capital assets, would be the collapse of BikeRescue, and the loss of those assets. Planning for financial sustainability helps to eliminate that risk.

Risks for Investors - The Hubstation

- 17.14 The terms of the asset transfer of the Lendal Bridge Substation building ,for the Hubstation, ensure that all risks are placed upon BikeRescue, not City of York Council. In fact, should the Hubstation not succeed, City of York would inherit a fully-refurbished building, ready for market!
- 17.15 Cycling England, through Cycling City York, (and any other capital funders of the Hubstation), have to be considered in this risk assessment. The most significant risk for these parties would be if the project does not reach completion and opening. This could be caused by a failure to complete the conversion of the building, or the collapse of the BikeRescue Project. Careful planning by BikeRescue, and oversight by partners (CYC etc), should reduce this risk to the minimum. Again, careful financial planning by BikeRescue, geared towards sustainability, will help to reduce any risks of financial loss once the Hubstation is open.
- 17.16 We acknowledge the recent revenue funding we have received from the City of York/ Cycling England which will help with the gearing up for the Hub station and p[rovides support for the recycling operation alongside some support from the Waste Strategy Unit.

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18. SHORT TO MEDIUM-TERM OUTPUTS, OUTCOMES AND PERFORMANCE INDICATORS

18.1 The following are some of the most significant ways that we monitor and evaluate our operations:

1. Removal of waste from the waste stream – measures: tonnage; 20 tons p.a.; number of bikes; 1200 p.a.
2. Re-use of bikes – measures: total re-used; 2400; % reused of those received, 66%
3. Providing low-cost, safe, reliable cycles to the community, reducing financial barrier to cycling – measure: relative cost of re-used bike against new cost, 33-50%; number of returns due to breakdowns during warranty period, 5%.
4. Designing, adapting and building cycles for people with special needs – measure: number of bikes, 80 ; types of disability catered for, arthritis, back problems, mobility & balance problems, learning disabilities, knee & ankle injuries.
5. Teaching valuable and transferable skills to young people and those facing barriers to employment – measures: numbers, 44 ; participant feedback; letters & feedback forms on file; skill increases; employment. Within Project, 8
6. Teaching basic cycle maintenance skills to new and returning cyclists, in order that they gain confidence to keep their own cycles on the road – measure: numbers; Formal courses, 22; At events, 12; Customers at p.o.s. 200; At University bike event, 150. feedback. Forms and letters on file.
7. Work with Youth organisations in running ‘Earn-a-Bike’ and Duke of Edinburgh ‘service’ element.– measure: number of young people involved; 18
8. Volunteer use of workshop facilities, under supervision of qualified staff, for D.I.Y maintenance of their own cycles – measures; number of volunteers using workshop for own bikes, 28
9. Providing information, guidance and training – measures: number of enquiries; Phone calls for advice, 500 p.a.; Advice to customers, 500 p.a.; Maps and info given out, 500 p.a.; professionals advised, 50 p.a.
10. Production of other products made from recycled bicycles, such as sculptures, furniture, jewellery and fashion items – measures: Sales, range. Artbikes produced, 15. Prototypes of bags, composter, loadbike, remanufactured bikes.
11. Supporting City of York Council in achieving targets for cycle use, set out in the Local Transport Plan. Supporting the Cycling City York initiatives. – measures: as set out in the Plan.
12. Helping to reduce congestion in York, and consequently help improve air quality, by means of reducing barriers to cycling – measures; less car use. 2400 more bikes put on the roads in York.
13. Achieving financial sustainability – measures: income over expenditure each year; number of years operating. See tables. Now in year 4 and in profit. Significant repayments of initial Directors loan made. Maintained steady bank balance throughout.
14. Encouraging women and girls to gain skills and confidence around riding and maintaining their bikes - measures: participant numbers; Courses, 20; ‘Bling’ events in the park etc, 50; Save my bike day, 50. Feedback on file.
15. Taking skills out into the wider community – measures: number of events; 17 events p.a. plus participation in Cycling City participation group, Safer York Partnership

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19. ILLUSTRATIVE ACTIVITY

19.1 Just for illustration purposes, attached below are some of the activities that we do or will be doing, in order to achieve our aims and objectives:

- Establishing social enterprise and structure
- Establishing/ maintaining/ developing premises
- Receiving bikes and storage
- Collecting bikes from individuals and from civic amenity sites
- Collecting abandoned bikes (in conjunction with Police)
- Logging bikes and assessment by qualified mechanics
- Safety checks and cleaning
- Refurbishing bikes
- Scrapping and stripping bikes that cannot be re-used
- Resale of bikes
- Liaising with NYCC to provide secure holding site at amenity sites and on arrangements for storage and removal of bikes for recycling
- Programme development and administration
- Liaising with training and examining bodies (qualifications)
- Liaising with partners
- Liaising with bike retailers
- Liaising with local community and local organisations, including environmental and re-use/recycling bodies
- Report writing/newsletters
- Accounting, cash flows, budgeting
- Banking
- Marketing and promotion
- Grant applications and administration
- Training/employment issues
- Managing and developing volunteers
- Business management
- Asset Management
- Procurement
- Maintaining/ cleaning Premises
- Succession planning for the social enterprise
- Product research and development – recycled products
- Development of Phoenix remanufactured bikes
- Developing and maintaining historic bike collection

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20. HEALTH AND SAFETY

- 20.1 Bike Rescue recognises that there are various significant health and safety considerations inherent in the organisation's activities.
- 20.2 The Health and Safety policy document (see separate document) will need to be reviewed each year and following any significant incident, or following repeated 'near miss' incidents.
- 20.3 Health and safety is the responsibility of all and it is critical to ensure that everyone involved in the project understands their personal and collective responsibility.
- 20.4 The development of new repair areas, workshops or the installation/purchase of new equipment will all require a re-evaluation of the Health & Safety documentation, with appropriate communication to all staff.
- 20.5 Many areas have potential risk, but the main areas for concern (as at August 2009) are:
- External access/ car parking area at Parkside Units
 - Large access doors and drop at front of building
 - Reception/office area - cash handling, electrical equipment
 - Bike storage areas – overhead storage and cycle rack areas, pathways
 - Refurbishment areas – stands, power tools, parts, liquids (oil etc)
 - Other specialist/heavy tools and equipment stands
 - Trailer loading and unloading
 - Van driving, loading, unloading, trailer hitching etc.
 - Using cleaning products and other chemicals. COSHH etc.
 - Road testing of refurbished bikes
- 20.6 Fire exits should be clearly indicated and all staff, volunteers and programme participants should be made aware of all the fire exits and the external congregation point/s.
- 20.7 Statutory H&S notices are displayed in staff areas.
- 20.8 A risk assessment procedure is implemented for all areas. The assessments are reviewed regularly.
- 20.9 A log is kept of all accidents, injuries or 'near-misses'. These are reported to the Project Manager and discussed regularly at management meetings. The Project Manager is expected to analyse the log and address positively any recurrent issues.
- 20.10 Major accidents or incidents will be reported immediately to the Project Manager or nominated 'Site Manager' (as described in the Policy document).
- 20.11 The Project Manager will be responsible for maintaining the appropriate levels and types of insurance and for notifying insurance companies on any significant incidents or changes to material circumstances.
- 20.12 Any risks observed by staff and volunteers are fed back to the management immediately, or at weekly staff meetings.
- 20.13 All new staff and volunteers are given a detailed H&S briefing as part of their induction process.

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21. TRAINING

21.1 Bike Rescue is fully committed to the development of individuals and regards training as a fundamental part of its work, helping individuals to achieve the skills and knowledge that they choose. Some jobs will require certain standards / training / qualifications.

21.2 The types, and in some cases the levels, of training are set out below– some are bike specific and others are more general skills

Bike Skills

- Fully qualified apprentice trained mechanics – target: 4 mechanics every two years – to Cytech or other equivalent qualification.
- City & Guilds 1 or equivalent part time certificate – target: 10 per year
- Bike maintenance for own use on own cycle.
 - individual
 - family group
 - women & girls
- Instruction in use of tools for volunteers

Health and safety

- General health and safety
- Relevant workshop and cycle skills
- Risk assessment
- First Aid
- COSHH (where appropriate)

Business management

- Business planning and management
- Instruction in business process
 - business process
 - sales
 - customer advice
- Finances
- IT skills
- Employment law

Other

- Child Protection Act
- Equality training
- Customer Care
- Legislative initiatives such as the Disability Discrimination Act

21.3 The above will be delivered through a combination of internal sessions, association with York City Council training or other partners and/or external course providers/ examiners. Staff and volunteers will be actively encouraged to seek relevant qualifications.

21.4 We have recently started working with Business Link, who have provided a management mentor for the Project Manager, and recently carried out a thorough Skills Audit. As a result, we are now exploring, with Business Link, opportunities and funding for further training for all staff. In particular; Leadership & Management, Retail skills NVQ and wider training for all staff in preparation for the opening of the Hubstation.

21.5 Our Admin/ book-keeping assistant is to commence training for A.A.T. qualifications in September 2009.



APPENDIX 1**ACHIEVEMENTS - from August 2006 to August 2009****Bike Re-cycling Activities**

Donations from public – 3400 bikes. Large amounts of parts etc.
Donations from council or organisations - 220
Specialist bike donations - 150
Public re-cycling collection points 4
Bikes re-used :sold 2400
Bikes kept for heritage collection 18
Bikes made into 'Art Bikes' for shows 12
Bikes kept for re-manufacture 11
Bikes striped for parts approx 1200
Percentage re-use approx 66%

Volunteers

We have had 27 adult volunteers and 22 young people between 10-16yrs
8 volunteers have taken up paid employment with in the project.
TOTAL HOURS approx 5500

Young trainees

34 young people have received some form of training in building up a bike, and in bike maintenance, on the earn-a-bike scheme
18 young trainees achieved the level 2 bike Doctor certificate or equivalent
1 young person is volunteering through Action to Employment and will receive formal training through us, to achieve industry standard qualifications, with a view to being employed in the scheme in the future.
2 students were taken on placement from York college for work experience in October 07 half term

Awards

6 young people from the Earn-a-Bike scheme won the regional Crime Beat Award, and they were given Highly Commended in the National Awards
One young member of the group has been asked to judge next year's regional competition

Legacies

We received a small amount of money from a collection at the funeral of a supporter
We inherited a collection of parts and cycling books from a close friend and supporter, Tom Mason
We were given our first Art Bike as part of the legacy from Tom Riley
We were donated parts that were unsold at the end of the saddlebag sale at York Cycle Rally for lat 3 years
The Steve Magson Memorial Trust gave us £500 towards the cost of buying one of the new workshop stands for the training workshop which we share with WeldTech (a national Training Organisation)
Kath Hamer founder member of York Cycleworks co-operative, her collection of valuable an extraordinary hubs was donated to the scheme to start the Sturmev Archer hub museum

Grants

£5000 annually from Waste Strategy (Waste minimisation Budget)
£1960 from Community Champions fund to provide staff training
£1700 from York Pride for the purchase of a trailer to collect 'dead' bikes from the streets and from Hazel Court waste Depot and to take scrap back to the waste depot
£5000 from Greenboard for the building of a training facility for young people to be trained in Bicycle Mechanics.
£5000 from York & North Yorkshire Community Reuse fund for a van.
£ from Yorkshire Forward for refurbishment of workshop, and replacement tools.
Ongoing sponsorship from Greenboard, of an apprentice.
£11,600 per annum for 3 years, from Cycling City York

Young peoples Grants

Yorkash £2200 for 'fix it scruff bags' girls' bike maintenance training class
£2500 for 're-spray cycles boys graffiti bike project
Arts Action £1000 for ' my bike' art bike decoration project

In Kind Support

City of York council: two rent free units at Parkside Commercial Centre
Bishopthorpe Cycles tools, Bikes and Equipment from closing down stock
Freecycle Items, workbench, tools, fridge/freezer, washing machine and various items to start the project
Probation Service - Unpaid Work Scheme for decoration, cleaning and upgrading of premises, stripping of scrap bikes
Cycle Heaven, Fulford Cycles, donation of bikes, spares and discount on parts.
Weldtite UK shared use of new Training Workshop at Parkside Commercial Centre
Budgie Bikes loan of two Rickshaws and donation of Load Trike
City of York Council Arrangement for Asset Transfer of Lendal Bridge Sub station on 30 yr operating lease, with first five years at peppercorn rent, and up to £50,000 loan if needed for conversion to City Centre bike park and Retail outlet.

Free Advice and support received

Simon Town and team City of York Council, advice with Business Plan, and Grant applications
Phil Bixby Architect, advice with application to convert Sub Station, support with submitting grant applications for funding Hub Station Project.
Natasha Almond York CVS help with creating volunteer policies and child protection policies
Bike Station, Bikes 4All: seminars on how to run re-cycling schemes and on going support and advice on development
Business Link Yorkshire for mentoring, skills audit and advice.

Outside contracts

3 day public bike show with workshops at NRM £10000 contract
Supply bronze standard locks to Safer York Partnership for re-sale to public
Supply bronze standard locks to University of York for re-sale to students
Work with North Yorks Police giving support on 'Tagging Day' at Parkside Centre, young volunteers providing Clean and Lube service.

Outreach Work

Provide stalls at all Further and Higher Education Colleges in York in '06 and '07: handing out leaflets encouraging re-cycling of bikes, and free City Council Cycle Maps. Giving Advice on Cycling and on maintaining Cycles
Developing partnerships with Women's Aid and Centre for Separated Families and Ordnance Lane Hostel to provide free, fully serviced children's bikes for donation to needy families
Working with Scarcroft Project to provide bikes for individuals leaving care
Assisting Bishopthorpe Junior School in their Art Bike after school Club
Attending York Cycle Show on Knavesmire providing: re-cycling bike collection point and leaflets ; display of Art Bikes and Children's Activities. June '06 and '07.
Meeting with Gillian ? Safe routes to Schools co-ordinator, to plan classes in puncture repair and bike maintenance for school children. Keeping bikes on the road and out of the waste stream
Attend Cycle Theft Strategy Meetings to assist Safer York Partnership in analysing and developing strategies to reduce cycle theft
Working with CYC Parks & open Spaces officers to provide bike decorating days in Rowntree Park
Working with Sustrans/Bike-It to provide artbike and fix-my-bike activities at Save-my-Bike Day in Tower Gardens

Business Development

Successful first year with turnover around £54,000 of which only £12,000 is grant funding, establishing the project firmly within the York Community.
Successful years 2 and 3 trading, with revenue grants as listed elsewhere, and substantial growth.
Created a succession plan which would lead to further business expansion and sustainability using the Lendal Bridge Substation as a retail outlet for recycled bikes and recycled accessories,
Staff training Programme established with Weldtech which up grades all staff and trainees mechanical skills.
Programme of courses for children and adults in bike maintenance and decoration, keeping cyclists on their bikes, giving skills and confidence, removing financial barriers to cycling.
Clear project plan developed for move to sub station and new workshop and training premises.(see appendix)



APPENDIX 2

KEY PARTNERS

NAME
City of York Council: Waste Strategy Team
City of York Council: Property Services
City of York Council: Strategic Finance
City of York Council: Youth Offending Team
City of York Council: Parks & Open Spaces team
City of York Council: Cycling City team
University of York
North Yorkshire County Council
NXEC (York Rail station)
York St John University
Sustrans/Bike-it
Cycling England
North Yorkshire Police
Safer York Partnership
Community Recycling Network
St Nicholas Fields Environment Centre
York College
The Scarcroft project
Cycle Magic
York Freecycle
Cycle Heaven
Bike Station
Bikes 4 All

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BUSINESS PLAN REVENUE FINANCE PROJECTIONS YEARS 1-3

LENDAL BRIDGE CYCLE PARK
'SUB STATION TO HUB STATION'

ANNEX 3

YEARS 1 - 3: EXPENDITURE

REF	COST AREA	ITEM	METHOD OF CALCULATION	Yr 1 £/pa	Yr 2 £/pa	Yr 3 £/pa	COMMENT
EMPLOYEES							
E1	Project Manager/Director	Salary 25,000 plus 15% on costs	37.5 hours/week	28,750	28,750	29,613	Increased by estimated 3% pa infl
E2	Recycling Manager/Director	Salary 25,000 plus 15% on costs	37.5 hours/week	28,750	28,750	29,613	Increased by estimated 3% pa infl
E3	Senior Mechanic	Salary 18,000 plus 15% on costs	37.5 hours/week	20,700	21,321	21,961	Increased by estimated 3% pa infl
E4	Mechanic	Salary 13,000 plus 15% on costs	37.5 hours/week	14,950	15,399	15,860	Increased by estimated 3% pa infl
E5	Junior Mechanic/ Shop assistant	Salary 11,200 plus 15% on costs	37.5 hours/week	0	12,880	13,266	Employed in yr 2 if demand (3% pa infl)
E6	Reception/Shop Assistant	Salary 11,200 plus 15% on costs	37.5 hours/week (half time in year 1 & 2)	6,440	6,633	13,664	Half time in yrs 1 & 2. Incr as demand (3% pa infl)
E7	P/time Volunteer coordinator	Salary 6,000 plus 15% on costs	Approx 18 hours/week	6,900	7,107	7,320	Increased by estimated 3% pa infl
E8	2 P/T reception/shop jobs	Salary 10,000 plus 15% on costs	Approx 18 hours/week for each post	11,500	11,845	12,200	Increased by estimated 3% pa infl
BUILDINGS / FACILITIES							
B1	Lease costs for Hub station		Peppercorn rent	1	1	1	Reviewed at 5 yrs - increased subject to viability
B2	Rent for Parkside units	3 units retained until Parkside sold (2 gratis)	£100/unit over 52 weeks	5,200	5,200	5,200	
B3	Gas, Electric, Water	Both Hub & Parkside	£90 /month	1,080	1,140	1,200	£60/month for Hub station & £30 for P.side
B4	Telephone & internet		£65 /month	780	840	900	Increased for inflation by £5 /month pa
B5	Business rates	NB Discret rate relief grant reduces cost	Estimated for 2 locations	4,500	4,680	4,867	Increased by 4% inflation
B6	Loan repayment for building improvements	£15k extra reqd in loan for capital works	Repayments £3,421 pa for 5 years	3,421	3,421	3,421	£15k loan repaid over 5 yrs (info from LBW)
B7	Cleaning services		£6/hr x 2hrs per day x 6 days over 50	3,600	3,744	3,894	Increased by 4% inflation
EQUIPMENT							
EQ1	Office consumables	Stationery, IT consumables etc	£120 /month	1,440	1,498	1,558	
EQ2	Stock purchase	Panniers, locks, lights, batteries, clothing	Purch of stock -retail at 100% mark up	4,167	5,000	6,250	Related to sales income - 200% mark up
EQ3	Locks purchased for contracts		Purch of stock -retail at 150% mark up	6,667	6,667	6,667	X ref with IM 2
EQ4	Consumables purchased for repairs		Average £15 per repair	9,375	11,250	15,000	
CATERING							
C1	Food/drinks - minor items		120 units/week over 30 weeks @£0.50	2,500	2,500	2,500	Related to sales income - 100% mark up
MARKETING/PROMOTION							
MP1	General promotion etc	Advertising/printing/promotion		600	650	750	
INSURANCES							
IN1	Building & Contents			1,000	1,000	1,000	Double costs to account for two sites
IN2	Public liability/Employers liability		Based on existing cost	564	587	610	Increased by 4% inflation
PROFESSIONAL FEES							
P1	Accountant		£117 per month - based on existing cost	1,404	1,460	1,519	Accounts and payroll services
TRAINING							
T1	General staff training			500	550	600	Costs increased with incr staff nos. & inflation
T2	Induction training			500	550	600	Costs increased with incr staff nos. & inflation
T3	Prof/ mechanic training			500	550	600	Costs increased with incr staff nos. & inflation
VOLUNTEERS							
V1	Volunteer expenses		£15per week x 45 weeks rising to £25pw	675	900	1,250	Increases with increasing on of volunteers
VEHICLES/ TRAVEL							
VT1	Motoring/travel			820	853	887	Collections of bikes
MISCELLANEOUS							
M1	General contingency fund		Estimate	1,000	2,500	2,500	To create a 'sinking fund' for bldg maintenance
M2	Removal costs	One off cost		1,000	-	-	Transfer of equipment to Hub Station
TOTAL EXP				169,283	188,224	205,270	

BUSINESS PLAN REVENUE FINANCE PROJECTIONS YEARS 1-3
 LENDAL BRIDGE CYCLE PARK
 'SUB STATION TO HUB STATION'

YEAR 1 - 3: INCOME

REF	INCOME AREA	ITEM	METHOD OF CALCULATION	Yr 1 £/pa	Yr 2 £/pa	Yr 3 £/pa	
	BIKE PARK						
IF 1	Bike spaces - 100 spaces***	Operating at 30% of capacity initially***	30 spaces@£1/day x 6 daysx 50 wks***	9,000	12,000	15,000	Rising in yr 2 to 40% occupancy & 50% in yr 3
IF 2	Bikes sold	20 bikes/week @ £70 each	£1400 per week	70,000	87,500	91,000	Average sales pw in 09 approx 20
IF 3	Paramedics bike space & storage		Estimate based on approx £55/week	3,000	3,000	3,000	
IF 4	Left luggage lockers & showers		20 users @ £1 each x 30	600	690	750	Rising to 23 and 25 by yr 3
	OTHER SERVICES						
OS1	Repairs	Block & chain or full service	On average £60 per service	37,500	45,000	52,500	Currently averaging 2-3 per day
OS2	Puncture repairs		On average £15	7,500	11,250	15,000	Currently averaging 2-3 per day
OS3	Workshops/ Bike Doctor			780	780	780	Income from programmes
	CATERING						
IC1	Minor Food/drink	Ref exp item C1	50 units/day over 50 weeks @£2.00	5,000	5,000	5,000	100% mark up
	MERCHANDISE						
IM1	Panniers, locks, lights, batteries, clothing	Ref exp item EQ2	Average sale of £25 per bike	12,500	15,000	18,750	Based on 50% of bike sales also buying these
IM2	Contract for locks	Ref exp item EQ3		10,000	10,000	10,000	
	GRANTS/SPONSORSHIP						
G1	Waste Strategy		Applications need to be made annually	3,400	3,400	3,400	
G2	Cycling England grant	Supporting transfer to hub station		11,600	-	-	

TOTAL INC	170,880	193,620	215,180
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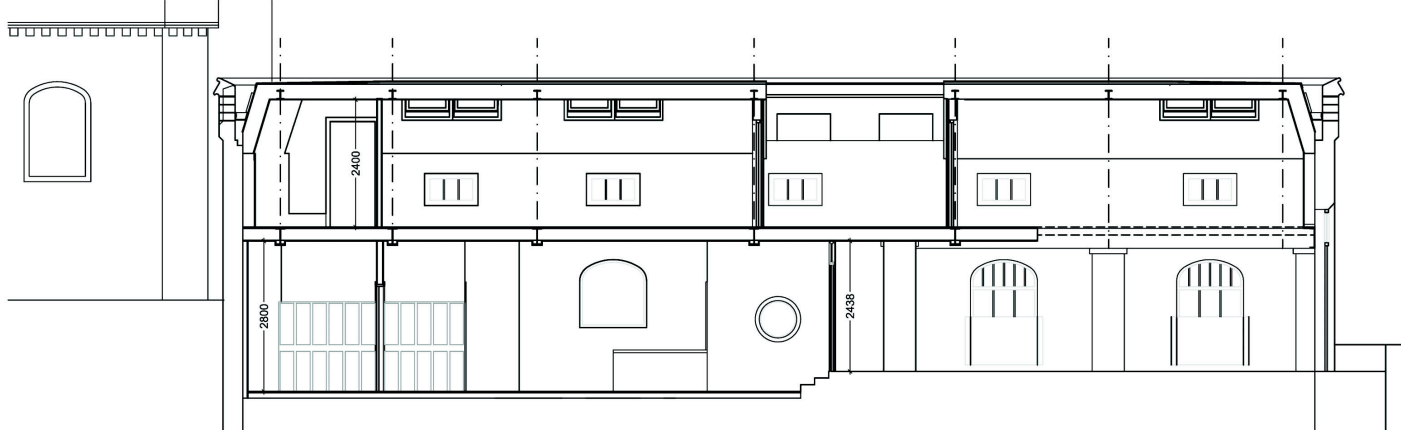
TOTAL INCOME - TOTAL EXPENDITURE

SURPLUS/ SHORTFALL	1,597	5,396	9,910
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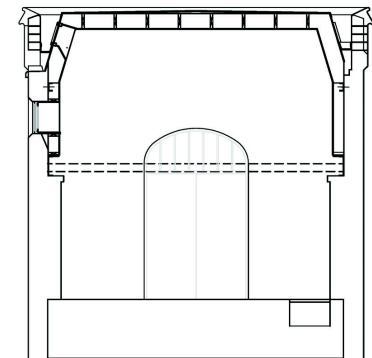
NOTES

E5 - E8: Employees hours will be related to levels of demand & income generated.
 IF 1 : 'Bike space' income is based on a conservative estimate of low to medium occupancy.
 IF 2: Estimate based on existing average sales with slight increase year on year.
 M1: Fund for building repairs/ maintenance.

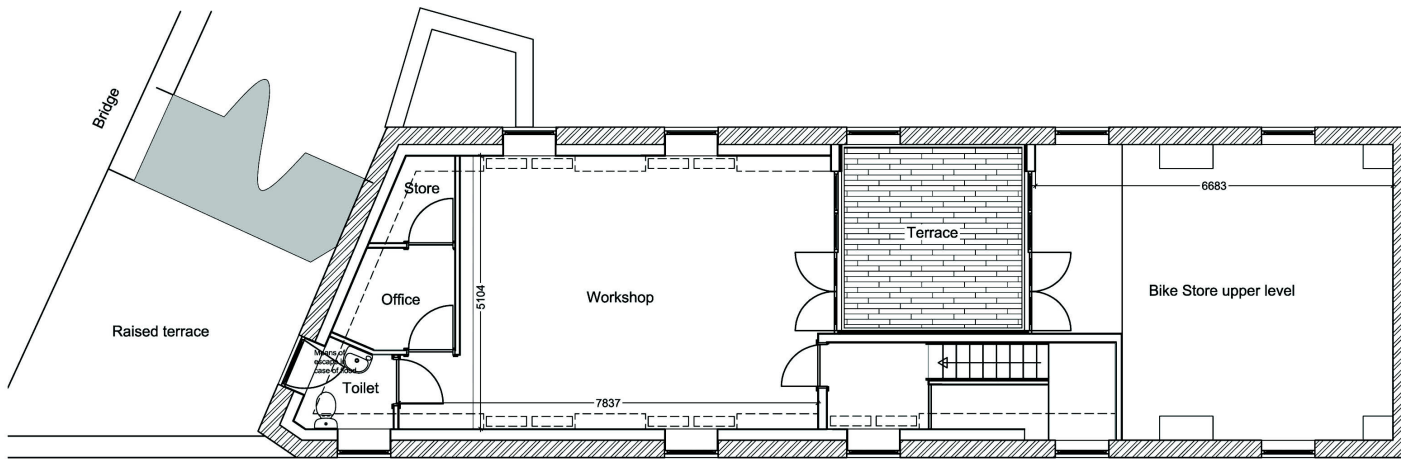
Notes:
 Revision B: Layout of ground floor returned to original handing, door from stairwell to street access added. Bike store made double height, roof terrace and cafe area adjusted to suit.
 Revision C: Sales and QF office area moved, toilet/lockers amended.
 First floor cafe replaced with workshop including toilet and office. Doors added to terrace. Street entrance to stairwell amended.
 Revision D: Various amendments following discussion with COYC Conservation Officer including lowering of roof, revision of access to stairwell.
 Revision E: Dimensions and details corrected following survey.
 Revision E: Construction detail added.



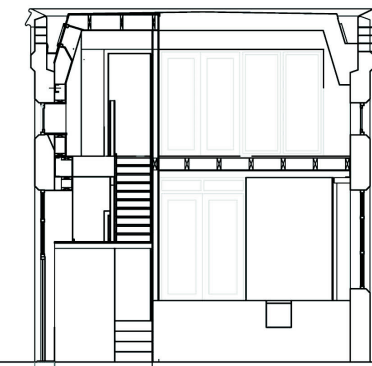
Section AA



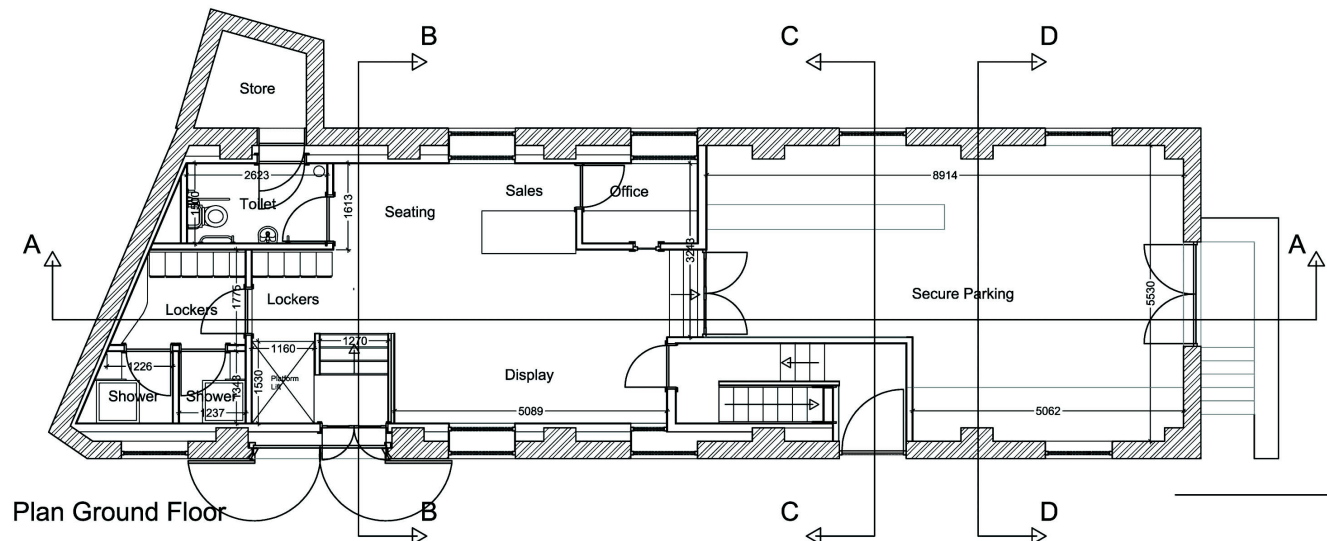
Section DD



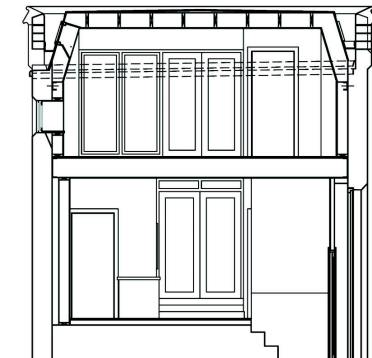
Plan First Floor



Section CC



Plan Ground Floor



Section BB

Drawing Number: LSS/010
 Drawing date: 06 November 2007
 Revision: F
 Revision date: 20 May 2009
 Drawn by: Phil Bixby
 Scale: 1:50

Project: Lendal Bike Hub
 Client: York Bike Rescue
 Drawn: AS Proj
 Project no:

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