



serco  
INSTITUTE

# Micromobility: The future of urban transport?

Geordie Morrison  
Robert Liao  
Ben O’Keeffe

April 2022

We are a think tank working to help governments develop the next generation of public service solutions for citizens. We do this through developing research and insight on public services internationally and through trialling innovation in service design.

[www.sercoinstitute.com](http://www.sercoinstitute.com) / [info@sercoinstitute.com](mailto:info@sercoinstitute.com) / [@SercoInstitute](https://twitter.com/SercoInstitute)





# CONTENTS

## **Executive summary**

**Recommendations** 6

## **Context – Micromobility in the UK**

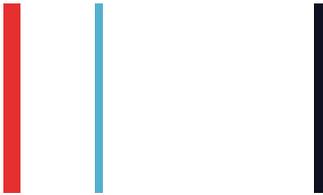
**Methodology** 10

**Analysis – what the public want from micromobility** 11

**Our questions** 12

## **Conclusion**

**Recommendations** 23



## Executive summary

Micromobility services are at a juncture in the UK – should the policies which underpin them be driven by funding considerations, or should they be considered a public good with wider social benefits? Using new polling, alongside insights from industry experts, we argue in this paper it is important that the latter drives the roll-out of micromobility services across the UK.

Our polling finds that local governments and transport bodies face a range of issues in the design of micromobility schemes. Micromobility schemes are clearly not yet embedded as a convenient means of regular transport for many citizens – over two thirds of people have never used an e-scooter, bike or e-bike. Over a third of people say price is prohibitive. 43% of people say they are poorly connected to other transport services. And a majority believe them to be an inconvenience when vehicles are left or ridden on pavements. The challenge is exacerbated by having to ‘retrofit’ these schemes onto Victorian urban networks designed for automobiles.

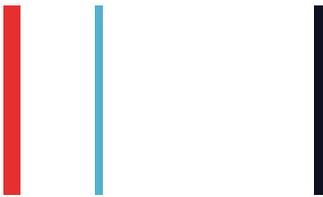
How then can such modes of transport go from the preserve of a minority to a mainstay of urban transport, in the same bracket as metros or buses?

We argue that one of the key considerations is the ‘model’ used for delivery. Currently there is a mix of different ways local authorities and transport bodies work with specialist providers to deliver micromobility schemes. Broadly, they fit into two categories:

**1. Managed Service Models** – A local authority funds the scheme assets (i.e. the bikes or scooters) and ongoing operating costs, paying a service provider a fee to deliver the scheme.

**2. Concession Models** – A supplier bids for a permit to operate in an area and in some cases pays a fee. Some models see the supplier pay for the asset, whilst others see the authority own the assets. Generally, private operators are at liberty to exploit the contracts for commercial gain.

If funding is the principal consideration, more concession models will likely be adopted. These often need less investment from local authorities, as well as requiring less ‘intellectual investment’, as operators will generally manage pricing, locations of docking stations/parking and other such issues. This is a more ‘unstructured’ approach to delivery that will see micromobility operators, rather than local authorities and transport bodies define how schemes are operated. However, if they regard micromobility schemes as a ‘public



good' just as they do buses or metros, it is likely that managed service models will be preferred. This latter model, which often requires a larger upfront investment from local government, tend to be delivered by a single operator working in a clear, coordinated partnership with an authority and community stakeholders. However our findings indicate that in return for that investment, and when combined with a single provider-local authority delivery model local government authorities can benefit from more effective subsidisation, docking stations located on the basis of transport accessibility and equity, and optimised integration with other transport services, all areas which will drive usage according to our polling.

Higher usage not only comes with environmental benefits as people transition from cars to micromobility schemes, but also reduces traffic and can even have health benefits for users. As such we would recommend local authorities, in these still relatively early stages, explore the potential benefits provided by operating under a managed service model. This will give them the control and flexibility to address the fundamental drivers – as identified by our polling – which encourage usage of micromobility vehicles.

This is not to say there is no place for the more complex marketplace created by having multiple providers who are awarded concessions in one local authority area. These could run in parallel to a managed service scheme to 'fill the gaps' not yet covered, or it may be that, as micromobility services mature, a concession model becomes more appropriate.

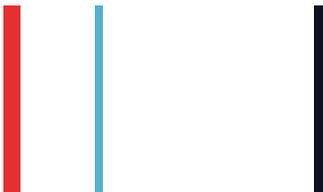
Our research also makes further recommendations relating to the marketing of the environmental and health benefits of micromobility schemes, as well as working with local communities to ensure widespread community support, not just from users.



## Recommendations

The next 10 years promises to see a revolution in urban transport, a major component of which will be the proliferation of micromobility schemes. However, proliferation is one thing, efficacy quite another. To achieve both, local governments will need to decide on whether they prioritise funding considerations or the public good. We believe that the latter should be prioritised, at least whilst the market matures and micromobility solutions become part of the everyday transport network for citizens. As such, we recommend the following:

1. Local authorities and transport bodies should opt for a managed service model for the delivery of micromobility schemes, to give them the flexibility and control to deliver targeted schemes that are integrated into the wider local transport network at a low cost to citizens.
2. Local authorities should invest in more targeted marketing which showcases the environmental and health benefits of micromobility schemes.
3. If local authorities want to ensure lower-income groups are not excluded from micromobility and instead improve transport equity, they should consider subsidising usage to a meaningful level.
4. To ensure docking stations are accessible to citizens and therefore drive usage, local authorities should consider working with local stakeholders and community groups.
5. To improve perceptions of safety, local governments will need to intensify the creation of micromobility / bike lanes.
6. Local governments will also need to engage non-micromobility road users in the design of micromobility schemes, especially with regard to road safety.



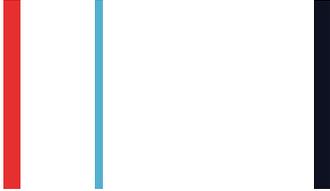
## Context – Micromobility in the UK

Whenever the future of cities is discussed, micromobility is central to the conversation in the UK. The topic is certainly in vogue, subject of much analysis and ideas from academics, consultancies, and local governments. Why? Because it gets to the fundamental issue of how to move urban citizens from point A to B effectively, whilst simultaneously touching on the major societal challenges such as inequality, the climate, localism, and fiscal constraints. How, when, and to what locations people move about urban areas reflects the health of our towns and cities, the prosperity – or not – of a town's high street being one example.

Using insights from leading micromobility experts, coupled with new public polling data, analysed using industry leading practices, this paper explores what will (and should) drive and shape micromobility as it seeks to embed itself a part of the UK's wider transport network. In particular, we explore how the attitudes of citizens should help inform how government – be it national or local – can shape the micromobility market to encourage more users and ensure accessibility and support from all.

In this study, micromobility refers to short-distance modes of shared transport services, including bikes, e-bikes, and e-scooters accessed through a self-service scheme, such as an app. Micromobility in the UK first sprung to prominence with the introduction of the London Cycle Hire Scheme, popularly known as 'Boris Bikes', to London's transport system in 2010. Since then, shared bike schemes have proliferated, particularly with the enablement of smart bike technologies (GPS-enabled e-bikes, for example), which first launched in China in 2017 and when the term micromobility became widely adopted. Despite this growth, there are still questions about the best ways to fund and operate schemes. The micromobility landscape is fragmented as a result, not least of all in the UK where the picture has become more blurred due to the introduction of e-scooter schemes.

There are around thirty bike share schemes in operation across the UK<sup>1</sup>, a number which is set to rise over the next 5 years. The type of delivery model selected for a bike share scheme is at the discretion of local and combined authorities, although they must of course adhere to the vehicle and road usage regulations stipulated by the Department for Transport. There are about a dozen bike share operators in the UK<sup>2</sup>, which between them operate a mix of pedal and electric bike share schemes. There has been a growth of the latter in recent years, a trend that is set to continue.



E-scooter (ES) share schemes are a nascent market in England, the first being launched in Middlesbrough in July 2020<sup>3</sup>. These schemes, run by around ten different providers, are currently operating on a trial basis, each of which has been formally authorised by the Department for Transport. The trials cover 32 areas<sup>4</sup> which consist of over 50 individual locations<sup>5</sup>, all of which are in England – there are no such schemes in Northern Ireland, Scotland, or Wales. The data and evidence generated by the trials will be a key determinant in the UK Government’s decision on whether to legalise private e-scooter use<sup>6</sup> in November 2022. From this time, no new e-scooter schemes trials will be sanctioned in England; however, existing trials will be permitted to change their provision and structures.

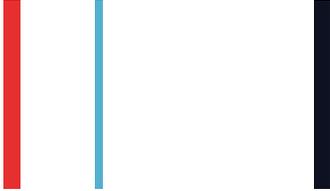
### Docked v Dockless

There are broadly two types of micromobility system. Docked systems require the user to return the vehicle to a station. A dockless system, as the name implies, allows users to leave a bike or scooter outside of a dock, usually in an area defined by a digital ‘fence’ (often referred to as geofences) – these pre-defined areas can be city-wide or within a specific parking area. There are also hybrid systems, which allow for vehicles to be left ‘dockless’ or to be docked, generally with a small incentive for users to do the latter.

As opposed to e-scooter schemes, which are all currently run using one model, bike schemes are dominated by a mix of three core delivery models: ‘Full concession’; ‘Part Concession’; and ‘Managed Service’. However, once the e-scooter trials have finished, it is likely that many local authorities will start to adopt delivery models like those used for bike schemes

**Full Concession** - The supplier bids for a permit to operate in an area and in some cases pays a fee. The supplier will fund assets, set up costs and then receives the revenue it generates from the scheme which will be primarily from trips, membership and sponsorships. The operator has full independence to exploit the contract for commercial gain, which is ultimately for the benefit of its investors and owners. Examples include bike schemes such as Edinburgh and Leicester.

**Part Concession** – The local authority funds the asset purchase (i.e. the cost of buying the bikes/scooters) with the supplier taking risk on all other costs including operational expenditure. In this structure the supplier will get revenue from trips. Often sponsorship is excluded and there are clauses which require revenue sharing with the authority. Examples include the Brighton bike scheme.



**Managed Service** – The authority funds the scheme assets and ongoing operating costs, paying the service provider a fee to deliver the scheme to predefined service levels. In this model KPIs can carry penalties and/or a revenue share incentive, but the key features are that the authority will take the majority of trip and sponsorship revenue. The majority of service provider revenue will come from the management fee. Examples of this are London Cycle Hire, West Midlands Cycle Hire, and Manchester Cycle Hire.

What this mix of delivery models indicates is that local and combined authorities are yet to settle on a supposed ‘best model’. Even in the case of bike share, which have been around for some time, there exists no consensus. In the case of e-scooters, relative newcomers to the field, there is a uniform delivery model around the country; that is, all local authorities opting for concession models during the trial. Once this concludes, it is likely things will change as local authorities opt for different models. In contrast, it may be that bike share schemes, having trialled different models, start to increasingly congregate around a single model.

The fundamental question is, what model will ensure that the bikes and scooters genuinely alleviate road traffic, instead of becoming an underutilised, colourful inconvenience on our pavements?

<sup>14</sup>Shared Bikes’ – CoMoUK.

<sup>15</sup>Accreditation’ – CoMoUK.

<sup>16</sup>Where are the UK’s e-scooter trials?’ – Zag (mindthezag.com).

<sup>17</sup>E-scooter trials: guidance for users’ – GOV.UK.

<sup>18</sup>E-scooter trials: guidance for users’ – GOV.UK.

<sup>19</sup>Government promises decision on legal status of e-scooters following trials’ – Committees – UK Parliament.

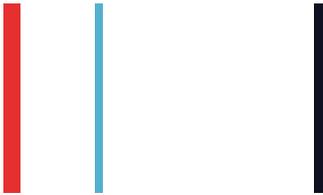




## Methodology

The survey data was collected by the expert independent polling company Survation via an online panel between 11-15 March 2022. Using a sample size of 1,104 UK residents over the age of 18, the data is weighted to the profile of adults in the country. Data is weighted by age, sex, region, income, education, 2019 General Election Vote and 2016 EU Referendum Vote.

All analysis was carried out by the Serco Institute. Not all percentages will sum to 100% due to rounding.



## Analysis – what the public want from micromobility

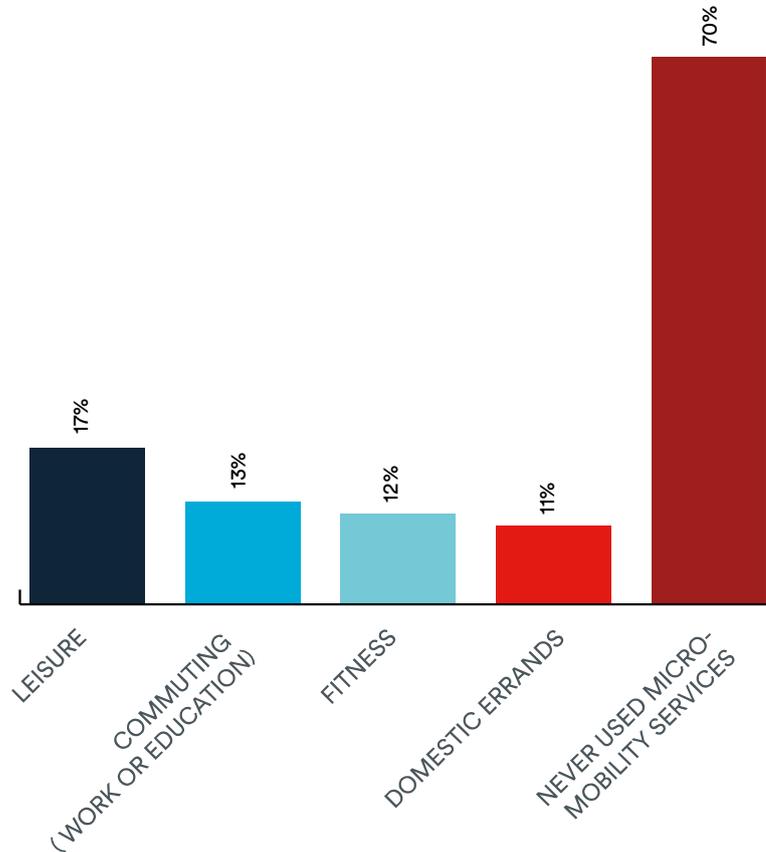
The paper uses four polling questions, analysed in the following section, as its main structure. We opted to take a slightly different approach to other surveys that have been published in relation to micromobility – instead of looking at why people choose to use bike and scooter schemes and the positive aspects of micromobility, we sought to examine why people choose not to use them and the negative aspects of micromobility. We believe this gives us a greater insight into the barriers stopping more people from using micromobility services.

In the interest of transparency and good practice, these questions are outlined below in the wording and order that they were asked. A full breakdown of the methodology can be found in the section above, and the data [here](#).

The polling data, coupled with insights from micromobility experts, has informed our analysis and conclusions.

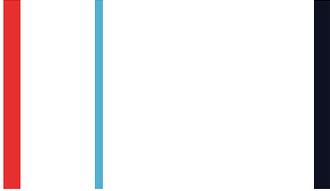


- **Q1. Micromobility refers to short-distance modes of shared transport services, including bikes, e-bikes, and e-scooters accessed through a self-service scheme, such as an app. For which of the following reasons, if any, have you used a micromobility service?**



The results for this question suggest that shared micromobility schemes are still a relatively niche mode of transport in the UK. Some 70% of respondents had never used a shared micromobility service at all. Take a step back, however, and these results are unsurprising.

The schemes are very much a feature of urban transport systems. As a result, the UK's rural population – still a sizeable minority, with 17% of England's population living in rural areas as of 2020<sup>7</sup> – is precluded from regular access to shared micromobility schemes. Perhaps more significantly, there are over 1,300 urban settlements – that is, settlements of more than 5,000<sup>8</sup> – across the UK, only a tiny percentage of which have access to a shared micromobility scheme, the majority of which are naturally located in large cities and conurbations.

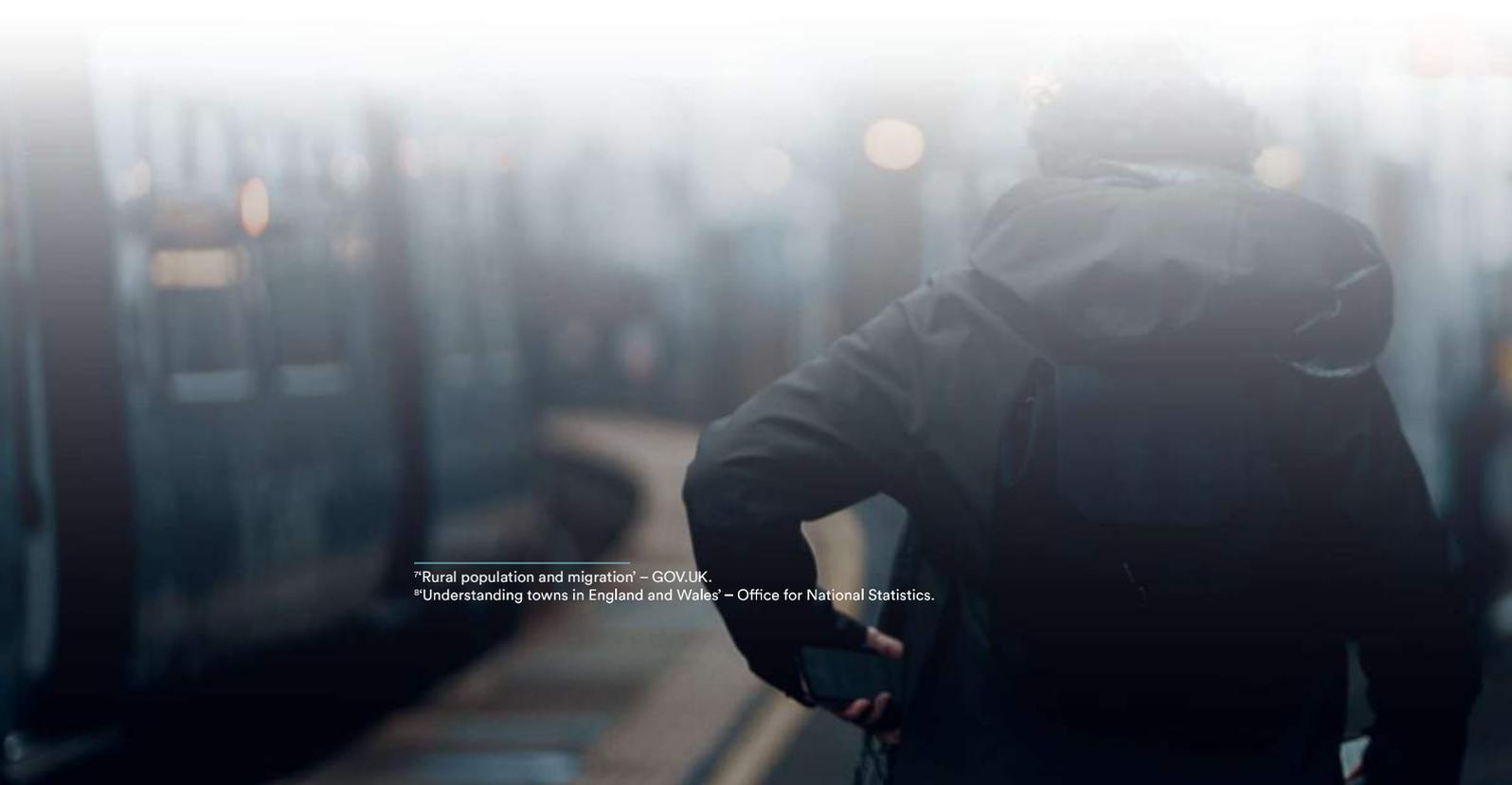


The other significant factor that explains why 70% of respondents had not used a micromobility scheme is explained by demography<sup>9</sup>. The physical faculties required to ride a bike or e-scooter means that they are naturally favoured by younger age groups, to the exclusion of some older people. This is not to say a broader age range does not use micromobility schemes, simply that our survey is representative of the population as a whole.

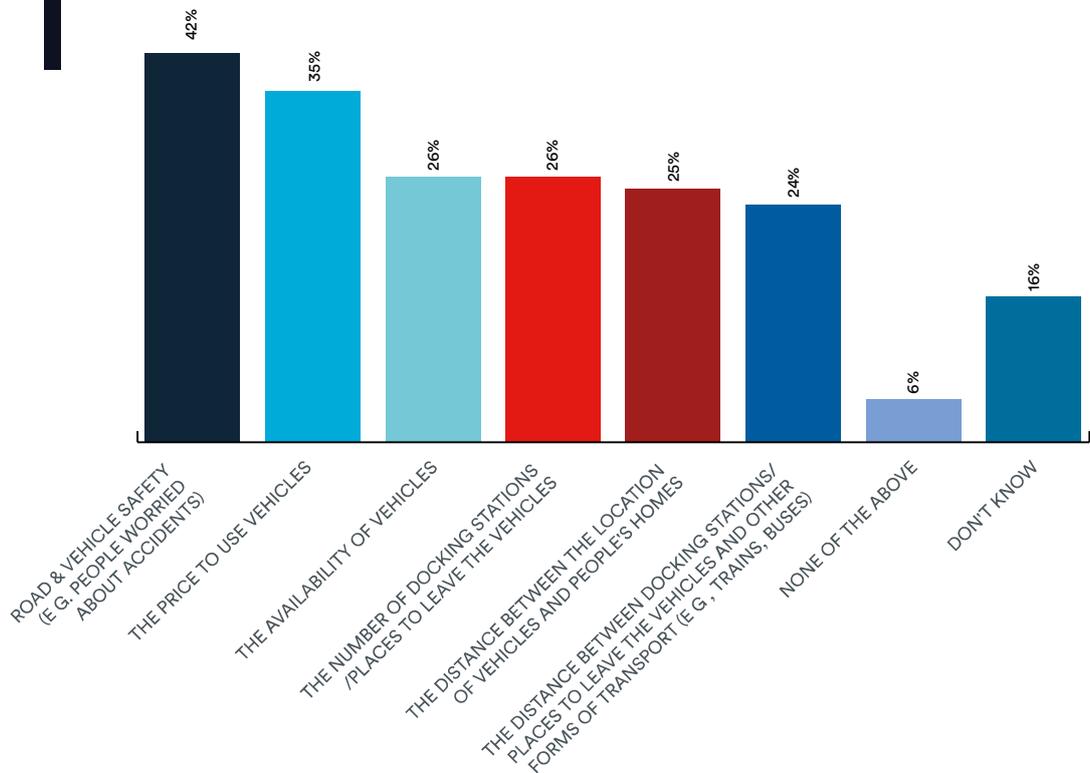
Of those who had used micromobility schemes, the reasons for usage are revealing. Some 17% of respondents had used them for 'Leisure', 13% for 'Commuting', 12% for 'Fitness', and 11% for 'Domestic errands'. That leisure was the most popular answer may suggest that use is irregular and associated with weekends easing around town, as opposed to everyday usage to facilitate people with their daily business. Although still relatively small, it is notable that 12% of respondents had used schemes for fitness purposes, despite schemes not necessarily being designed for such purposes; however, it may be that respondents regarded 'fitness' as being an incidental benefit rather than the primary reason for using bike schemes. Nonetheless, this could be a potential growth area for bike schemes, especially if marketed in a creative way that compares the price of bike schemes with normal gym and exercise orientated memberships.

<sup>9</sup>Rural population and migration<sup>1</sup> – GOV.UK.

<sup>8</sup>Understanding towns in England and Wales<sup>2</sup> – Office for National Statistics.

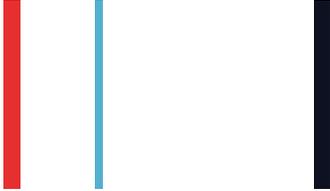


- **Q2. Which of the following reasons, if any, do you think are the biggest barriers to people using micromobility services? Please select up to 3.**



42% of respondents identified ‘Road & vehicle safety’ as a barrier to using micromobility services. A number of factors may inform this response. Moving skilfully around towns and cities on a bike or scooter requires as a certain amount of ‘knowhow’ and experience. Of this 42%, some may feel too inexperienced to use micromobility services on urban roads, whilst others may have used these services themselves and have first-hand experience of safety challenges. However, it is quite possible that respondents have used our poll on shared micromobility services as a proxy for the safety of bikes, e-bikes, and e-scooters in general. After all, what is the difference between riding a shared micromobility unit versus its privately owned equivalent?

Of course, there is no novelty in seeing bicycles on roads: however, e-scooters (and to a lesser extent e-bikes) are a more recent addition to the UK’s urban road networks. During this transition period, as they become an embedded part of the everyday transport system, there will be a need to engage with other road users to ensure they become comfortable and supportive of their widespread use. A system whereby local authorities and other transport bodies have tighter control over (and visibility of) the safety features of any micromobility scheme might be preferable, at least during this ‘transition period’.



At 35%, price was the second biggest barrier to using shared micromobility schemes. A few factors may explain this relatively high response rate. If we consider that 70% of respondents have never used a shared micromobility scheme, the 35% figure is significant. There may be a perception that these services are more expensive than they truly are, in which case local governments and operators may want to consider how they communicate pricing to urban citizens. On the other hand, some schemes might simply be deemed expensive and potential users put off by price. In these instances, local governments may want to consider the extent to which they are willing to subsidise shared micromobility schemes. It seems likely that, without a meaningful degree of subsidy – at least in this initial period – to drive usage, micromobility schemes may not generate the meaningful health, congestion, and environmental benefits which they bring.

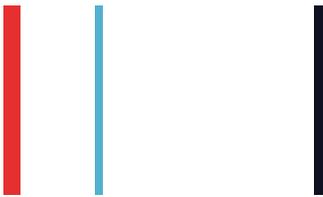
### **Vélib' Métropole**

Established in 2007, Paris's Vélib' Métropole bike sharing service is an exemplar of a managed service scheme that is tightly woven into the transport fabric of Greater Paris. Membership is subsidised and costs €8.30 (£6.91) a month<sup>9</sup> for e-bike and pedal bike access. (private operators in the UK and Europe, by contrast, can charge over £7 per hour). With 1,400 docking points and 20,000 bicycles, the scheme in the French capital has over 400,000 subscribers with up to 5.5 million journeys made a month. These figures illustrate how subsidised managed service schemes, with an emphasis on transport equity and price, can drive up usage.

### **Santander Cycles**

In the UK, Santander Cycles is as much a part of London's transport system as the tube or the bus. Like Paris's Vélib' Métropole, it is a managed service scheme which prioritises accessibility and affordability, Transport for London (TfL) has grown usage by freezing fares for 5 years. The annual subscription fee of £90 per annum makes it the most affordable mode of public transport in London, and the only one that is available 24 hours a day, 7 days a week, 365 days a year. TfL's investment resulted in almost 11 million hires in 2021 and 178,000 new subscribers in the same year<sup>10</sup>.

Fundamentally, a model where operators rather than local authorities are determining how micromobility services are operated and, critically, how journeys are priced is less likely to achieve mass adoption, at least in the short-to-medium term. Operators will need to recoup investments and prices will account for a lack of certainty if they are not closely backed (both financially and politically) by a local authority or transport body. As micromobility is 'normalised'



amongst travellers, it will be important to encourage widespread uptake, ensuring the option is accessible to as many people as possible, regardless of income. Through a closer relationship with operators, local authorities can better manage prices and help create a micromobility system that will encourage take-up across the socio-economic spectrum.

Furthermore, micromobility services often require upfront capital expenditure, alongside the overheads required to maintain the bikes/scooters. Some local authorities have been spooked by the upfront investment necessary to operate an effective managed service scheme. As a result, these authorities have opted for concession models, which induce operators to place bikes where there is highest demand, minimal maintenance costs, and at premium pricing points. So, whilst they may be 'cheaper' for the authority in the first instance, such models essentially pass on the cost to the user – something we know from our polling is a significant factor in deterring usage. If the model does not lead to an adequate return for the provider, making the operation of the scheme financially unsustainable, then it will be closed down. Ultimately, this is likely to come at a greater cost to the authority, which then has to refinance an entirely new scheme; an eventuality that could have been avoided had the authority opted to fund a managed service model in the first instance.

Other barriers listed included: 'the availability of vehicles' (26%); the 'number of docking stations/places to leave the vehicles' (26%); the 'distance between the location of vehicles and people's homes' (25%); and 'the distance between docking stations/places to leave the vehicles and other forms of transport' (24%). These barriers could all fall into a category titled 'convenience'. To drive usage and maximise the potential of micromobility services requires expert urban planning and citizen centred service design, both of which require joined-up thinking between the local authority and micromobility provider, appropriate funding, and a long-term planning horizon of 10 to 20 years. Concession models - where the operator is often principally focussed on commercial upside - may not be inclined towards an equitable dispersion of docks, instead locating them exclusively in areas that are simply most profitable. The question is whether such models are most suitable to drive availability of vehicles in a way that is equitable and, therefore, improves 'convenience' for all citizens.

<sup>9</sup>About Vélib' - Vélib' Métropole.

<sup>10</sup>Santander Cycles hit record figures in 2021, TfL says (cityam.com).

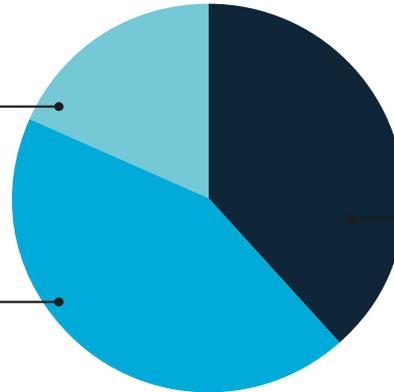
• Q3. Which of the following statements is closest to your view?

18%

MICRO-MOBILITY SERVICES ARE WELL CONNECTED TO OTHER TRANSPORT SERVICES

43%

MICRO-MOBILITY SERVICES ARE NOT WELL CONNECTED TO OTHER TRANSPORT SERVICES



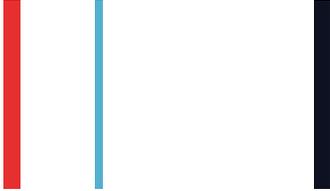
38%

DON'T KNOW

A significant 43% of respondents felt that micromobility services are not well connected to other transport services.

To drive usage of shared micromobility services, vehicles and docks need to fit seamlessly into citizens' everyday lives, a crucial part of which is connectivity to other transport services. Without this integration, usage of shared micromobility services is unlikely to become a popular form of transport, at least in urban areas. As a result, schemes not integrated into transport networks would not generate the health, environmental, and congestion benefits which can result from the best managed schemes. Concession models, run by private operators primarily seeking profit rather than focusing on the importance of schemes as a public service, may be disinclined to integrate micromobility systems into the transport networks if such a move eats into margins.

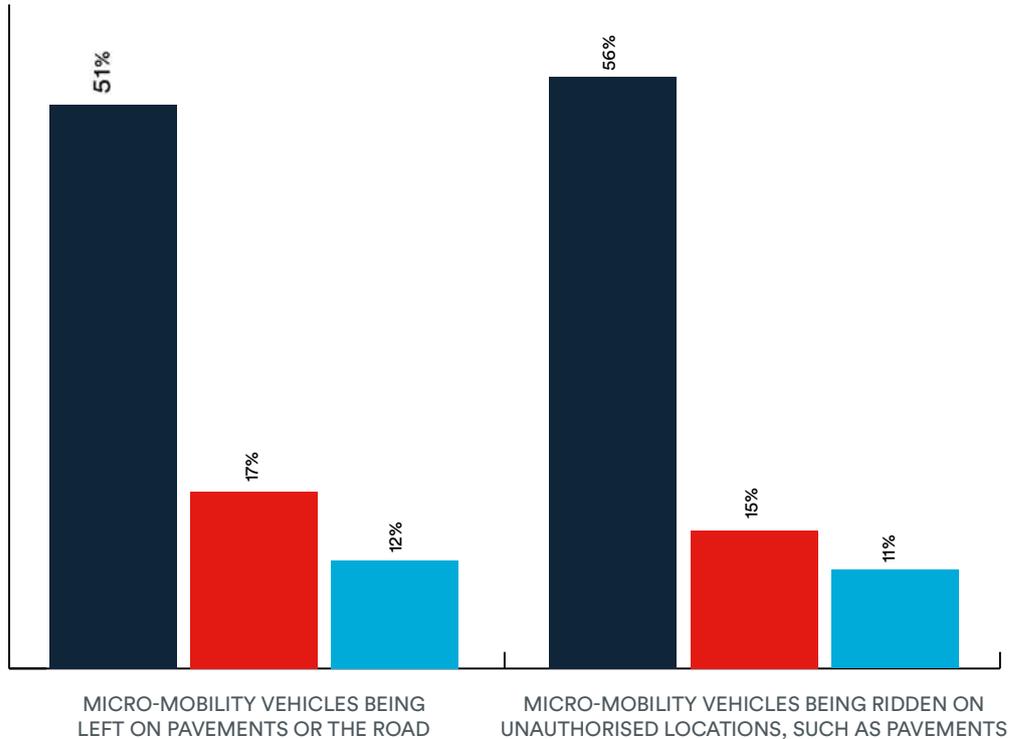
Micromobility services often form one part of a multi-modal journey. In particular, they are used for the 'first and last mile' of a journey. For example, one study found that 63% of e-scooter users also used public transport to complete their journey<sup>11</sup>. A system based on concessions for multiple providers, where a local authority or transport body has less control over where micromobility services are offered, is likely to see providers focus on areas of existing high usage, rather than encouraging more widespread take-up across the transport network and ensuring services are integrated with trains, buses and other transport options. Micromobility services which are more closely overseen by local authorities will also be easier to integrate into Local Transport Plans and Local Infrastructure Plans.



Integration for micromobility also extends beyond how well-connected services are with other modes of transport. Where a number of providers offer similar micromobility services (such as the case for e-scooter services across the UK), people may require multiple apps, subscriptions and payment options specific to each service provider. A single point of purchase for local micromobility solutions is likely to be an easier and more effective way to drive usage, again, at least whilst they become ‘normalised’ as an option. Furthermore, a more ambitious approach would be to integrate micromobility solutions with a wider local transport payment service, so that a traveller can seamlessly use the same payment method on trains, buses and micromobility solutions. This again supports a model whereby the local authority or transport body would have a more significant role in specifying how a service is run.

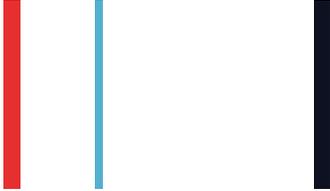
- Q4. On a scale on 1-5, where 5 is very inconvenient and 1 is not inconvenient at all, how would you rate the following?

■ NET: INCONVENIENT ■ NET: NOT INCONVENIENT ■ DON'T KNOW



Perhaps unsurprisingly, a majority of people indicated that micromobility vehicles being either parked or ridden on pavements is inconvenient. This issue has been the focus of much attention in the discussion around micromobility services, particularly in light of the e-scooter trials in England. Concerns have particularly been raised by organisations representing blind people who have said (specifically in relation to dockless micromobility systems) that “random potential barriers” can be created that are obstacles not only for visually impaired people, but parents pushing buggies also<sup>12</sup>. Wheelchair users have also reported issues with dockless micromobility systems blocking pavements<sup>13</sup>.

Analysing the demographic trends in relation to this question shows that the only factor that impacts opinion is age – the younger a person is, the less likely they are to feel that the use and parking of vehicles on pavements is an issue. Across all other demographic factors – such as income, gender and political persuasion – there is a consistent view that the use and parking of the micromobility vehicles on pavements is a significant inconvenience.



Of course, it is younger people who use them the most, but the views of people who don't yet (or for that matter, never will) use micromobility vehicles should not be ignored. For it to be successful, micromobility must form part of the local infrastructure . It must become a community asset which is a source of pride for both users and non-users alike all; an outcome that is only achievable if schemes do not detract from the freedoms – or safety – of others.

Technological solutions (such as geo-location services being used to automatically lock vehicles when they move onto pavements) and normalisation of behaviours (as people become increasingly used to using micromobility vehicles) will likely help with this issue. In fact, some services already use GPS and other digital mapping systems to stop users riding and parking vehicles on pavements. That said, in this transition period a more significant role for the local authority or transport body to define how the service is provided will help ensure that services are more effectively managed, and this issue minimised.



<sup>12</sup>Regulating electric scooters (e-scooters)' - House of Commons Library.

<sup>13</sup>Wheelchair user urges riders to stop leaving e-scooters on footpaths all over Milton Keynes' - Milton Keynes Citizen.



## Conclusion

Local governments face many challenges in designing effective micromobility schemes. How can such modes of transport go from the niche preserve of a minority to a mainstay of urban transport, in the same bracket as metros or buses? This challenge is exacerbated by having to ‘retrofit’ these schemes onto Victorian urban networks designed for automobiles. Our polling shows that this is just one, albeit major, hurdle. The other is the perceptions of citizens. It is clear that citizens do not yet regard micromobility schemes as convenient for regular use, whilst a majority believe them to be an inconvenience when vehicles are left or ridden in unauthorised locations.

Despite these challenges, micromobility is on an upward curve. First of all, it is important to remember that many shared micromobility schemes are still in their infancy. This nascency means that local governments are going through a period of ‘trial and error’, as they seek out the best delivery models by which to operate schemes. The ‘best’ model will depend on what local governments want to achieve. If funding is the principal consideration, more unstructured concession models will likely be adopted. Whilst authorities will save on the initial capital expenditure and achieve quick deployment of a scheme, they need to be mindful that operators will be running a scheme principally for commercial gain as opposed to a ‘public good’ and, as such, will need to have their eyes wide open during the tendering stage. Contracting authorities cannot expect operators to provide a public good if they do not lay the contractual foundations for doing so. In some schemes, there has been a clear divergence between the expectations of local governments and the realities of the service delivered through concession models. Given the limited experience of local authorities in tendering for micromobility schemes, this is perhaps understandable, but a key point that needs to be considered in the next round of tenders so as to avoid failures.

If local authorities regard micromobility schemes as a ‘public good’ just as they do buses or metros, it is likely that managed service models will be preferred. These latter models, which require some degree of upfront investment from a local authority, tend to be delivered by a single operator working in clear, coordinated partnership with local governments and community stakeholders. The more significant investment, combined with the single provider-local authority delivery model and a long term commitment, allow for more effective price-setting, placement of docking stations/parking on the basis of transport accessibility and equity, and optimised integration with other transport services, all things which will drive usage, according to our polling.



### Funding micromobility schemes

Alongside user fees, local authorities can recoup investments in a micromobility scheme through a number of different means. Selling naming rights (such as ‘Santander Cycles’ in London) and advertising space are perhaps two of the more conventional ways to generate funding. Taxation has also been used to fund schemes, such as the EnCicla ‘public bicycle system’ in the Colombian city of Medellín, which is financed through a system of green taxes and is free to use<sup>14</sup>.

Higher usage not only comes with environmental benefits as people transition from cars to micromobility schemes, but also reduces traffic and can even have health benefits for users. As such we would encourage local authorities, in these still relatively early stages of the micromobility ‘revolution’, to focus efforts on managed service models. This will, as discussed, give them the control and flexibility to address the fundamental drivers – as identified by our polling – to encourage usage of micromobility vehicles.

Perhaps a lesson can be taken from the UK Government’s planned rail reforms. The *Williams-Shapps* Plan for Rail, and the development of the new railways body Great British Rail (GBR), is a clear example of a move away from an ‘unstructured’ transport system to one in which the UK Government (through GBR) is seeking to better coordinate services. In fact, most train operators are in the process of moving to a new operating contract which closely resembles the ‘managed service’ approach outlined in this paper.

This is not to say there is no place for the more complex micromobility market-place created by having multiple providers who are awarded concessions. These might still be used to ‘fill the gaps’ that the managed service might not yet cover, or it may be that as micromobility services mature, a concession model becomes more appropriate.

However, we believe micromobility schemes which see a closer relationship between local authorities and transport providers will ensure that the bikes and scooters on our streets genuinely alleviate road traffic, instead of becoming an expensive, colourful inconvenience on our pavements.

<sup>14</sup>ENCICLA - sustainable mobility program.



## Reccomendations

The next 10 years promises to see a revolution in urban transport, a major component of which will be the proliferation of micromobility schemes. Proliferation is one thing, efficacy quite another. To achieve both, local governments will need to decide on whether they prioritise funding considerations or the public good. We believe that the latter should be prioritised, at least whilst the market matures and micromobility solutions becomes part of the everyday travel options for citizens. As such, we recommend the following six actions:

- **1.** Local authorities and transport bodies should opt for a managed service model for the delivery of micromobility schemes to give them the flexibility and control to deliver targeted schemes that are integrated into the wider local transport network at a low-cost to citizens.
- **2.** Local authorities should invest in more targeted marketing which showcases the environmental and health benefits of micromobility schemes.
- **3.** If local authorities want to ensure lower income groups are not excluded from micromobility and improve transport equity, they should consider subsidising usage to a meaningful level.
- **4.** To ensure docking stations are accessible to citizens and therefore drive usage, local authorities should consider working with local stakeholders and community groups.
- **5.** To improve perceptions of safety, local governments will need to intensify the creation of micromobility/bike lanes.
- **6.** Local governments will also need to engage non-micromobility road users in the designs of micromobility schemes, especially with regard to road safety.

