

Guidance for Community Bike Share Schemes



SECTION 05

Money, money, money



05: Money, money, money

Setting up and running a scheme needs money. Here we guide you through what you need to think about, potential funding options, and considerations for revenue generation and the sustainability of the scheme.



Capital costs

Capital costs are those costs related to the assets and equipment you will use for your scheme:

- Bicycles
- Storage
- Accessories
- Software to manage the scheme (if required)

The exact costs of providing a bike pool will depend on the number and type of bikes, and how often they are maintained. The table below provides some indicative costs for equipment. Costs are likely to vary with supplier, location and bike type.

Table of example costs for bike share equipment

Item	Cost per bike (excluding VAT)
Hybrid or comfort bike	£200 - £300 per bike
Folding bike	£300 - £400 per bike
Electric bike (including the battery charger)	£1,000 - £1,200 per bike suitable for lighter use designed for a try before you buy project £2,000 - £3,000 per bike for a model suitable for regular use and on rougher terrain
Spare battery for ebike	£200 - £500
Lights	£50 per bike
Lock (D Lock preferable) If not using smart locks	£50 per bike
Smart lock options	£100 (see Smart Locks under Storage section)
Panniers. Bikes will need to have a pannier holder on the back of the bike fitted.	£50 for a pair (could be used on one or two bikes)
Quick releases fitted to saddles (allows riders to quickly adjust the saddle height themselves)	£20 per bike
High visibility jackets	£20 per item
High visibility waistcoats	£5 per item
Waterproof trousers	£25 per item
Helmets*	£25 - £40 (you could try and negotiate free ones with sellers)
Storage	See the paragraph on storage in Section 6: Bikes and how to share them for options
Software	See our thoughts on booking in Section 6: Bikes and how to share them - but this can involve a free booking platform such as Google Calendar or a more sophisticated package that could have more functions

*Some projects supply helmets and others do not. If you do, ensure you have a cleaning plan in place in between uses.

Landor LINKS have compiled an [A to Z of accessories and infrastructure](#) that you may wish to browse.

In the **Bikes and how to share them** section we provide an overview and further examples of the types of approaches to sharing bikes and associated costs.

Ongoing operational costs

Below is a list that will require resource and funding in relation to running the scheme:

- Staffing: This could be combined with someone else's role / local bike shop / bike hire
- Subscription costs for high-tech management systems e.g. App Bike / booking software you may be using
- Rebalancing (this means if you have a scheme where bikes are at different locations and publicly available, making sure they are available to meet demand)
- Maintenance - a local mechanic to do both routine regular as well as and more comprehensive annual ones
- There may be additional costs associated with e-bikes - including batteries
- Marketing and customer information: social media, press, attending events, distributing marketing materials

- Insurance (anti-theft, accidents, criminal damage) - see 'Insurance and liability' in **Section 7: Looking after your bikes and riders**
- Administrative support for the scheme: see our [task list template](#) for what this could entail
- Training staff and volunteers in bike maintenance (see [Velotech](#) for prices)
- Training staff and volunteers in cycle leader training (£120 for 4 people for a 2 hour course - see [Cycling Scotland](#) for updated prices)

N.B: The above list does not include overheads such as the costs of the building that the scheme may operate from.

Advice from Applecross Community Company's bike share project:

"Don't underestimate how taxing and time-consuming maintenance could be for your project!"

Revenue streams

If you are hoping to generate any income from the scheme to help contribute to your running and operational costs (aside from grants and funds) it is worth considering how you could do this - depending on the size and type of your scheme.

Some options are in the table below.

Potential revenue streams

Method	Details	Things to think about
Ridership income / membership fees	Charging for use of the bikes can cover on-going costs such as maintenance and insurance	Let local bike shops know your plans so they do not think you are competition (See membership costs below)
Sponsorship & advertising	You could sell advertising space to companies (e.g. on your bicycle storage if visible) or develop a more substantial partnership with a sponsor who can offer longer term funding	To get buy-in from a sponsor, demonstrate the reach they will get and the impact of the scheme Think about what they can get back for their investment (reputation etc.) Examples of scheme advertising sponsorship opportunities: Pocahontas, Iowa and Green Apple Bikes

Potential revenue streams

Method	Details	Things to think about
Crowd funding	An increasingly common way to raise finance for a scheme, in full or part, is through crowd funding. E.g. this could be used to fund staff and insurance costs	Tips for successful crowd funding campaigns
Selling on the bikes	You could buy the bikes at trade price and then at the end of the year, sell them on for same price	Be aware if funding conditions change for selling on the bikes - there is usually a time limit attached, or some funders request to be notified in writing if a sale is planned even after 'x' years have elapsed
Selling / using refurbished bikes through donations	To keep costs down you could purchase second-hand bikes from an operator who no longer needs them e.g. Pocahontas bike share project in Iowa did this through the operator Spin	Example: Shetland Bike Project

For more information on the financial sustainability of a bike share project, read page 49 of our [Shared Electric Bike Programme](#) report.

Membership costs

Whether to charge for the bikes, and by how much, depends on the objectives of your scheme and funding set up. For example, if you want to enable access to all, then loaning bikes out for free may be essential for your scheme.

The [Bikes for All](#) project was able to do this by subsidising nextbike membership through [Paths for All](#). However, you may wish to get revenue from charging a small fee or through a blend of different types of fees.

The amount you set may also depend on what you are trying to cover – for example if you want to use the fees to cover your annual insurance costs, you can work out how much is needed to do this.

Thinking about different ways to fund your project, so you are not reliant on a particular grant, can be beneficial. Some ideas for approaching membership fees if you decide to charge, are on the next page.



Suggestions for types of membership fees

Approach	Things to think about
Corporate membership fee	It may be possible to lend your fleet out to corporate organisations to trial the bikes, for a certain fee, in addition to loaning the bikes for free community members
Subscription fees	You could charge users a certain amount per month for them to have access whenever they want, providing you with a reliable income, although you may need to find a way to manage expectations about availability of bikes for the riders
Seasonal charges	If summer is likely to increase demand you could have a higher summer rate
Higher membership fees for ebike loan as opposed to pedal bikes	As e-bikes often incur more operational costs than pedal (maintenance and charging), those with a mixed fleet of bikes you could include a different pricing structure
Free membership for volunteer time	This helps minimise resource costs
Tourist charges	You could have a higher rate for tourists to subsidise loans or daily hire for locals

Example projects and their membership costs (as of November 2020)

Company	Type of scheme	Per hour	Per day	Per week	Per Month	Comments	Aim to cover costs?
Huntly Dev. Trust (standard pricing)	E-bikes stored in a building	N/A	£10	£30	Summer tariff - £84/mth Winter tariff - £60/mth		Yes
Huntly Dev. Trust (special offer)		N/A	£10	£20			Yes
Co-bikes (Exeter)	Docked, integrated	£3	£24	N/A	N/A		No
Applecross Community Company	E-bikes in community centre	N/A	N/A	Free two week trial	Then £20 for anything longer		Yes
Cambridge Co Housing	One cargo bike for families (18 families share it)	N/A	N/A	N/A	N/A	This scheme charges £40 per year which covers insurance	Yes

Advice from community groups

“Whatever you decide, just make sure these are clearly communicated and processed.”

“Do not make them too expensive, be flexible and adjust to demand.”

“If you are charging a day rate you may want the weekly rate to look attractive, and the weekly rate so it makes the monthly rate look attractive. But conversely if you want bikes to be booked out by the hour, due to your bike scheme set up and trip purpose you may wish to have a rate which makes this attractive.”

Managing membership costs / payments

If the bikes are not free, you will need to have a process in place to manage the payments. This will depend on:

- Setting membership fees - this has been covered in an earlier section but thinking how and where these will be communicated to your audience is important
- Making payments - some schemes encourage users to pay by PayPal or bank transfer prior to the hire to avoid cash
- Deposits - will you have a deposit? If so, consider how this be collected and accounted for - Huntly Development Trust do not because they say they don't want users to be too scared to scratch or break the bikes, believing that trust is the key here, while some other groups have deposits to ensure riders take good care of the bike.

You would need to decide whether this would only apply to a longer term loans as it could be tricky to manage for shorter rides

- If money is stored in your premises overnight, does this have implications for security and what measures do you have in place, e.g. safe storage box for example
- It is useful to set up a way to review this process periodically
- While membership is optional, offering it can speed up repeat rentals - a credit card and valid photo ID (driver's license, student card, passport) should be retained or photocopied for the duration of the loan.

See Cycling Scotland's '[Bike Loan Membership Conditions](#)' in their tool kit for further useful information.

Funding options

Most community shared bike schemes are reliant on grants, fundraising and/or public sector funding, rather than being financially sustainable and self-financing. The most common source of funding for recent community projects has been grants and fundraising to cover core and capital cost.

Funding streams change, so we suggest you regularly check the following websites for general project funding (this is not an exhaustive list, just a few to get you going):

- [SCVO Funding Scotland](#)
- [Foundation Scotland](#)
- [National Lottery Awards for All](#)

Specific cycling / transport related funds:

- [Cycling Scotland](#)
- [Foundation for Integrated Transport](#)
- [Energy Savings Trust e-bike grant](#)

Other:

- Some schemes get funding from their local windfarms or energy companies operating in the area, such as Scottish Power

Next steps:

You now have a better idea of the costs associated with your project, and ideas for making some money from the scheme. We can now find out how to actually share your bikes!



Further help and support from CoMoUK

CoMoUK is the national charity for the public benefit of shared mobility. Founded in 1999, CoMoUK enters its third decade with a depth of expertise and research into shared transport and the built environment.

CoMoUK can provide bespoke information and support on how to set up and develop your community bike share scheme. This includes:

- Helping you to think about business cases and project plans
- Providing examples of best practice and case studies
- Sign posting you to other parties and relevant organisations
- Providing advice on potential sharing solutions for your scheme (such as booking and billing)

To find out more about how we can help you, please contact scotland@como.org.uk for details.

Please also see our website como.org.uk for further information and to sign up to our newsletter and forums.

Find out more about CoMoUK and collaborative mobility online at como.org.uk

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