

AGENDA ITEM 9

COMMUNITY & SOCIAL AFFAIRS COMMITTEE

21st JUNE 2017

REPORT OF HEAD OF COMMUNITIES AND NEIGHBOURHOODS

WHEELS TO WORK (W2W) PROGRESS AND FEES AND CHARGES

1.0	PURPOSE OF REPORT
1.1	To inform members on the progress of Wheels 2 Work Scheme and gain approval for the increase in fees and charges associated with delivering the Wheels to Work programme.
2.0	RECOMMENDATIONS It is recommended that:-
2.1	Members note the progress of the W2W scheme and endorse its future development;
2.2	Members approve the increase in fees and charges as detailed in Section 3.9 and approve the charges to take effect from 1st July 2017 and as attached as Appendix A;
2.3	Members delegate to the Head of Communities & Neighbourhoods in consultation with the Head of Central Services to set the charges for additional services outlined in section 3.12 on a cost recovery basis subject to members decision;
2.4	Members approve to recommend to the Policy, Finance & Administration Committee to utilise the current unallocated £21k from the Wheels to Work Contributions reserve to help towards offsetting the current shortfall; and
2.5	Members delegate to the Head of Communities & Neighbourhoods in consultation with the Head of Central Services to determine the best course of action to deal with any de-commissioned vehicles and equipment.
3.0	KEY ISSUES
3.1	The W2W scheme was launched over 10 years ago and has provided vehicles including motor scooters and electric scooters to more than 600 people. Since then, the scheme has expanded to become one of the largest W2W schemes operating in the country and now supports a variety of valued services to help individuals overcome transport barriers including: Compulsory Basic Training (CBT), scooter servicing and maintenance as well as local transport advice.
3.2	At their meeting of 14 th September 2016, members of this committee noted that in order to sustain the scheme as it currently stands beyond the financial year 2016/17 it is imperative that we secure grant funding via the newly launched Access Fund for Sustainable Travel, which is a replacement to the Local Sustainable Transport Fund (LSTF).
3.3	The new Access Fund intends to build on the legacy of the former LSTF. Previously a Sustainable Travel Transition Year was launched to bridge the two grant programmes. The transition year makes the switch from LSTF objectives which supported economic growth and carbon reduction to the new Access Fund objectives, which support health and social benefits by increasing levels of physical activity through walking and cycling, and economic growth through access to employment, education and training

3.4	<p>Members were also made aware that moving forward the Council would be participating in a bid for Access Funding, and that if this was unsuccessful it would influence the scale of W2W operations in 2017/18 and beyond. It was also reported that In the event of the bid for Access Funding being unsuccessful the scheme would need to scale down and adapt towards a local operating model covering Melton Borough and potentially neighbouring districts where a financial contribution towards scheme costs could be secured. Details of this outcome are explained ins section 3.6-3.12.</p>
3.5	<p>Members also approved interim charges for the 2016/17 to be effective from 1st October 2016 until 31st March 2017 and then requested a further report highlighting the outcome of various funding bids, impact of the new charges and also proposals for the new fees and charges to help sustain the W2W service without significantly impacting on the demand and also continuing to help vulnerable people</p>
3.6	<p><u>Current Position and Recommendations for increase in fees and charges</u></p> <p>Since the increase from 1st October 2016, the service has not seen a major impact on demand, as at the time members were advised that having benchmarked these proposed charges and costs against other schemes nationally it is the view of W2W Scheme Manager that the increase at this time in fees and charges are in accordance with the grant conditions and agreed vision for delivering the W2W programme.</p> <p>At the end of March 2017, there were over 90 users on the W2W scheme.</p>
3.7	<p>In regards to funding the following have been programmed for delivery for 2017/18:</p> <ul style="list-style-type: none"> • Melton & Rutland Area- 25 clients/24 Fleet • Access Funding Area- 100 clients (48 Petrol/52 non petrol) • County Council (not in Access Area) Service- 60 client/30 Fleet <p>Officers working with Northamptonshire County Council also submitted a Northamptonshire Access for Funding bid, however, this was unsuccessful and has been a major contributor towards creating the shortfall.</p> <p>However, members are being asked to note a further bid to Daventry District Council has been submitted to deliver for up to 30 Fleet and potentially 50 client service. Officers are still awaiting the outcome to this bid.</p>
3.8	<p>The current secured service is a reduced scheme to meet the funding available from funders for 2017/18. This will result in some of the vehicles being de-commissioned and these will be dealt in line with the Council's disposal policy, but also include keeping certain parts for future maintenance of the existing stock.</p>
3.9	<p>The service during 2017/18 will need to focus on a number of areas to continue to remain a successful, value for money, budget balanced and well used service. This will include greater focus on income collection, bad debt collection and exploring other funding steams.</p> <p>One key area will be reviewing the service in Rutland to ensure it is fair and reflects actual costs to deliver the service.</p>

3.10	<p>In regards to maximising collection and effectively dealing with bad debt, a dedicated resource has been allocated to work closely with the W2W team, focusing on:-</p> <ul style="list-style-type: none"> • Ensuring robust recovery systems are in place before the vehicle is hired out. • Appropriate documentation is signed by the user to enable prompt payment and collection • Good record keeping is in place to ensure effective collection of bad debts. • A sound monitoring process is in operation so that swift action is taken at an early stage. <p>This will be continuously monitored and officers will explore how future bids can be structured to minimise this risk.</p>
3.11	<p>One of the key challenges for the W2W scheme has been to explore and test out future delivery models that can recover all costs, i.e. full cost recovery, whilst charges remain affordable, flexible to provide incentive to users of the scheme and sustainable beyond the funding period for 2016/17. To this end it is recommended to members to increase charges in 2017/18 to £110 per month plus £15 refundable deposit for the petrol scooters, which is equivalent to £25.38 per week. A full breakdown of charges are detailed in Appendix A.</p>
3.12	<p>Members are asked to comment on some charges that are not currently charged for within the service. These relate to:-</p> <p>At the moment there is no charge for bicycles equipment such as helmets etc. – this should be considered and looked at introducing a charge. The same applies to (Compulsory Basic Training) CBTs – these are around £140 per rider and these are not re-charged. As this relates to the rider personally and remains with them, then this should also be considered as an additional charge.</p> <p>The W2W coordinator has suggested that the CBT is one of the few incentives that help promote the service to users and that there is a risk that this charge may impact on demand.</p> <p>Members are being asked to advise officers on whether they wish officers to introduce these charges.</p>
4.0	<p>POLICY AND CORPORATE IMPLICATIONS</p>
4.1	<p>There are clear links to place, people and agile priorities within the corporate plan:</p> <ul style="list-style-type: none"> • Promoting a vibrant and sustainable economy, focused on growth and prosperity. • Supporting the most vulnerable to overcome disadvantage in order to live independent lives. • To effectively manage demand delivering well-respected and value for money customer focused services with pride and efficiency. <p>Proposals within this report reflect the objectives of the Councils charging strategy which seeks to, as far as possible set charges on a full cost recovery, taking into consideration the needs and affected users.</p>
4.2	<p>Members are asked to note that should the Daventry bid be successful there will be a requirement to resource this contract appropriately and this has been taken into account when advising members of the financial impact of a successful Daventry Bid.</p>
5.0	<p>FINANCIAL AND OTHER RESOURCE IMPLICATIONS</p>
5.1	<p>The current budget projections anticipate a budget shortfall in a worst case scenario of up</p>

	<p>to £51K (if the Daventry bid is unsuccessful) ,but note that this includes a number of assumptions one of which is that the proposed fees and charges will be approved and implemented from 1st July. Members are asked to note that this shortfall projected is based against the working budget for a larger scheme and covers all of the costs for the W2W service.</p> <p>These figures were also included in the Council's efficiency plan and appropriately budgeted for in the MTFS.</p> <p>Dependent on the outcome and scheme of the Daventry Bid if the bid was successful then the year end position would be considerably better, by reducing the projected shortfall.</p> <p>However, this figure can be partially mitigated through better performance on collection of charges and fees and bad debts, which will be a focus for the service, as well as the delivery..</p> <p>The projections on income are achieving the number of clients within the bids and reaching a collection performance of 80%, any negative deviation from this level will impact the year end position.</p>
5.2	There is currently £21k in a W2W personal account from previous years and members could approve that this is used to mitigate the projected shortfall.
5.2	There is a capital element within the Daventry scheme for the purchase of associated vehicles. Should this scheme be successful, the Council's approved mechanism for capital expenditure will be followed and appropriate Project Mandates and Business Cases will be presented to this Committee for approval as appropriate.
5.4	At this time officers have assumed that the cost of insurance remains relatively the same, however, due to the higher claims during 2016/17, any significant increase will impact the year end position. This has been picked up in section 9, as a risk.
6.0	LEGAL IMPLICATIONS/POWERS
6.1	Legal and procurement advice will be sought where necessary and any specific legal matters brought to member's attention as required, including in relation to dealing with aged debt. Section 1 of the Localism Act 2011 confers a general power of competence on local authorities to do anything that individuals generally may do, including the provision of financial and assistance to any person or organisation. Any proposed capital funding contribution to the W2W Project is in accordance with the general power of competence.
7.0	COMMUNITY SAFETY
7.1	The scheme puts emphasis on safety and security, and anyone taking up the offer of a moped loan will be required to take Compulsory Basic Training (CBT) and be offered protective clothing, including a helmet, and a heavy duty lock for the moped. In addition, the County Council provides funding for further safety training and, taken together, these measures have helped the project to maintain a good safety record. We have individual risk assessments for each applicant.
8.0	EQUALITIES
8.1	The project is intended to provide support to people who might otherwise have difficulty accessing suitable work or training. A diverse range of clients are helped by the scheme,

in particular: young people who do not have access to or cannot afford to run a car, people living in isolated communities who are not well served by conventional bus services and shift workers who need to travel to and from work at times when public transport is not available. In many instances the scheme helps people into their first job or people who are returning to work after a period of unemployment.

RISKS

9.1

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant			1,3	
	D	Low		4	2,5	
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

Risk No	Risk Description
1	Assumption on take up in the budget forecast do not materlise
2	Inadequate collection processes are in place that do not maximise income.
3.	Price increases deter the number of users due to affordability issues impacting on funding secured for the project.
4	Risk of Insurance Increase due to high number of incidents
5.	In effective collection and bad debt recovery performance does not meet assumed income levels.

10.0 **CLIMATE CHANGE**

10.1 There are significant environmental gains with reduced car journeys and carbon emissions through the use of electric scooters, bicycles and mopeds as a consequence of promoting and participating in the W2W scheme.

11.0 **CONSULTATION**

11.1	Extensive consultation has been undertaken with scheme partners, W2W clients, and other key stakeholders regarding delivery of the W2W programme.
12.0	WARDS AFFECTED
12.1	All wards are affected.

Contact Officer Harry Rai- Head of Communities & Neighbourhoods
 Rob Bindloss- W2W coordinator

Date: 13 June 2017

Appendices : Appendix 1- Fees and Charges for W2W

Background Papers: None

Reference : Ctte/CSA/2017-18/210617/HR_ W2W