

PLACE COMMITTEE

9 JANUARY 2019

REPORT OF THE DIRECTOR FOR GROWTH AND REGENERATION

CLOSURE OF THE WHEELS TO WORK PROGRAMME

1.0 PURPOSE OF REPORT

- 1.1 Following previous committee consideration of the Wheels to Work (W2W) programme, to provide an update on the steps taken since and to acknowledge that irrespective of the council's efforts, the programme remains unviable and is now recommended for closure; enabling resources to be re-directed to other priority projects and services.

2.0 RECOMMENDATIONS

It is recommended that The Place Committee:

- 2.1 **Approve the closure of the Wheels to Work programme and authorise notice to be served on Leicestershire County Council and Rutland County Council**
- 2.2 **Delegate authority to the HR and Communications Manager to deal with any associated employment matters including if relevant redundancy or redeployment options in line with existing policies and procedures including making any associated payments**
- 2.3 **Delegate authority to the Director for Growth and Regeneration to negotiate the terms of the withdrawal and closure of the W2W scheme with partners.**

3.0 Background

- 3.1 The W2W scheme was launched in 2006 with a small fleet of 8 mopeds covering Melton and Rutland area. It has grown over the years to cover the counties of Leicestershire and Rutland with a fleet of over 100 vehicles in 2015, providing motor scooters and electric scooters to more than 700 people. The W2W scheme has played an active role in widening access to employment, training and education and particularly for people in remote rural areas where there has been increasingly limited access to transport provision including bus services. Over recent years it has however required a large subsidy to operate and support from partner agencies has reduced.

Actions taken to attempt to achieve a sustainable future for the scheme

- 3.2 Grant funding has become increasingly more difficult to obtain. At present a number of schemes nationally have transferred from local authority run operations to become independent social enterprises, for example, Norfolk W2W and Lincolnshire W2W. A number of W2W schemes have been able to diversify operations by providing additional training programs such as forklift training in key growth sectors alongside greater alignment to apprenticeship schemes. Whilst some W2W schemes have become a great deal more self-sufficient, most require an element of public subsidy.

- 3.3 Since 2015, the W2W Rutland and Leicestershire scheme has seen an erosion of funding. Charges have been reviewed and increased by 200% during the same period to cover some of the shortfall in funding, by the end of 2017 there had been a significant reduction in the number of users alongside an increasing and unsustainable debt position, at around 60% of income.
- 3.4 Funding was secured through the Access Fund in April 2017 to focus on users in the Leicester City area with a small catchment in Blaby and Charnwood. However, the increased charges resulted in a substantial reduction in the number of users. This meant that the agreed outputs were not achieved and consequently, the final payment of £25k for the 2017/18 financial year was withdrawn by Leicestershire County Council and they confirmed that no further funding for a County wide W2W scheme would be provided to Melton Borough Council in 2018/19. This equated to a loss of £80k based on 2017/18 figures.
- 3.5 On 20th March 2018, the Community and Social Affairs (CSA) Committee was consulted and agreed to the following:

REF	Action	Outcome
1)	Access Funded Scheme covering Leicester City to be closed from 31st March 2018, with services withdrawn to existing W2W Clients by 30th June 2018. W2W Clients will be provided a 6 week notification period that vehicles will be recovered with an option to purchase their bikes at an affordable amount;	Scheme closed in Leicester city 6 week notification period to users of the scheme has been undertaken
2)	County Wide Scheme to be closed to new clients on 31st March 2018, with services withdrawn to existing W2W Clients by 30th June 2018, prior to W2W rider insurance renewal deadline. W2W Clients will be provided with a 6 week notification period that vehicles will be recovered with an option to purchase their bikes at an affordable amount;	Scheme now closed to new clients 6 week period to be provided to users following decision of the Committee
3)	Funding bid is submitted to Road Safety Trust by end of March 2018;	Funding bid submitted but unsuccessful in obtaining funding
4)	4 week staff consultation to commence as soon as possible. Following this, steps will be taken to put in place the revised structure and implement HR processes.	Consultation held with staff when scheme was reduced. Entered into further round of consultation with existing staff following previous rationalisation
5)	Surplus rolling stock and workshop	Excess stock has been sold and

	equipment disposed of by public auction in August 2018	generated an income of £6,065.32 It is expected we may achieve around £200 - £300 for each of the remaining bikes at auction.
6)	Snowhill workshop to be vacated by 30th June 2018 so this is available for re-let by Melton Borough Council;	Snowhill unit still occupied and will only be available once scheme has been fully wound down
7)	Tendering for a 6 month local dealership to service and maintain a small fleet of 16 vehicles covering the Rutland and Melton W2W Scheme;	Identified more cost effective option was to service vehicles internally.
8)	Tendering for a 6 month fleet recovery and breakdown contract.	Identified more cost effective option was to service vehicles internally.
9)	Rutland and Melton W2W Scheme to be reviewed at the end of September 2018.	Review undertaken and information provided below

3.6 This time last year the scheme had a total of 40-60 users operating at any one time. A decision was taken in October 2018 not to take on any further riders as we would be unable to offer them a full six month hire. Following this the scheme now consists of 6 riders across the Melton and Rutland area. There is now 0.5 FTE officer time dedicated to managing the scheme on a day to day basis.

3.6 With the above in mind consideration has been given to three options for the future of the W2W scheme:

Option 1: Operating the scheme at its existing level (maximum capacity 22 bikes). This would require the Council to provide funding for the scheme in excess of £40k in 2019/2020 and subsequent years (a subsidy per user in the order of £1.75-2k) assuming a majority of bikes where in use.

Option 2: Look to make the scheme self financing. In order for the scheme to be self-financing from 2019/2020 there would need to be at least 55-60 users at any one time, and the Council would need to provide an up-front investment of more than £110k for new bikes and equipment. There is considered to be insufficient demand within Melton and Rutland to achieve the necessary volume of users, and extending the scheme into Leicester and other parts of the County would require additional funding. Experience of past operation of the scheme in Leicester in particular suggests that there are higher levels of thefts (and therefore higher insurance premiums), and lower rates of income collection. It is not considered that expanding the scheme to the level required would be either viable or sustainable.

Option 3: Recommendation. Wind down and close the scheme. It is not believed that there is sufficient will amongst partners to help fund the W2W programme and not sufficient demand amongst the local population to make the scheme self

financing moving forward. With this in mind, and due to the financial liabilities attached to managing the scheme, it is recommended that the Scheme be wound down over the next three months. This will remove any future financial liability from Melton Borough Council and also free up space within Snow Hill to rent out and bring in an income.

Initial discussions have taken place with Leicestershire County Council to identify if there will be any contribution from them to any wind down costs associated with the scheme.

If this option is pursued, work will need to be carried out for disposal of assets, recovery of debt, confirmation of closure to partners and winding down the scheme which is expected to be done by the end of March 2019.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 There are no corporate policies or projects that are reliant on the success of this scheme. Therefore it is not considered there will be any corporate implications in regards to objectives.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 In order to deliver the recommended option the budget is sufficient to cover the running costs and the winding down costs until 31 March 2019 including the redundancy costs.

However there is a risk that as a result of delivering a reduced scheme the partners may not contribute in line with the budgeted income.

There are outstanding and historic debts relating to the scheme which total £72,584.62. Options have been looked into to recover some of this debt.

Some of these costs and any shortfall in income could partly be mitigated by the sale of assets and equipment however at this stage the potential receipt is not known. As such any residual costs will have to be met from savings elsewhere, which may put the Council's overall budget position under pressure and could lead to overspend on the service budget.

- 5.2 Looking forward the W2W scheme currently occupies a unit at the Council owned Snow Hill Industrial Estate. Once the scheme has been wound down this unit can be released subject to maintenance work and will be able to be rented out at commercial rate. Saving will also be achieved as business rates would no longer be paid by the council.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 All necessary requirements including formal notification to partners and riders will be adhered to.

- 6.2 A meeting was held with Rutland County Council where it was explained that we were considering the closure of W2W. A further meeting will need to be held to give Rutland County Council notice of the Council's decision regarding the scheme.

- 6.3 Legal requirements in regards to consultation with affected staff members will be

adhered to.

7.0 COMMUNITY SAFETY

7.1 There are no community safety implications that need to be considered as a result of this report

8.0 EQUALITIES

8.1 It is likely that those benefitting from the scheme (6 riders) are likely to find it more difficult to gain access to work.

8.2 Due to the scaled down element of the Wheels to Work Programme it is not expected that there will be any significant impacts associated with this scheme upon the wider population of Melton borough.

8.3 An Equalities impact assessment has been completed as part of this report.

9.0 RISKS

9.1 Probability



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

9.2

Risk No	Risk Description
1	Negative public perception and reputation
2	Understanding and adhering to legal requirements
3	Costs involved in winding down scheme escalate
4	Outstanding invoices do not get paid

10.0 CLIMATE CHANGE

10.1 Not applicable

11.0 **CONSULTATION**

The following consultations have taken place:

- Discussions have been ongoing with key partners.
- Discussion have been undertaken with the relevant members of staff
- A report went to the community and social affairs committee in March 2018

12.0 **WARDS AFFECTED**

12.1 All

Contact Officer	Lee Byrne
Date:	December 2018
Appendices :	None
Background Papers:	None
Reference :	X : Committees\Place – 2018/19 - -090118