

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	2 July 2020
Title:	Wheels to Work Loan Scheme
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to seek authority to tender and award a new contract for a Wheels to Work Loan Scheme in Hampshire which will provide young people with the opportunity to access employment and training opportunities in Hampshire.

Recommendations

2. That the Executive Member for Economy, Transport and Environment gives authority to procure and spend up to value of £2,075,000 (for the maximum six year period), of which £405,000 will be funded from Hampshire County Council's Community Transport Budget and £175,000 will be funded from Hampshire County Council's vehicle replacement reserve along with contributions from district councils and other potential funding sources. Any spend will be conditional on the relevant funding being confirmed.
3. That the Executive Member for Economy Transport and Environment gives authority to enter into the necessary contractual arrangements (in consultation with the Head of Legal Services) for the Wheels to Work Loan Scheme identified in this report, to commence on 1 April 2021 for an initial period of 2 years, with the option to extend for up to a further four years, subject where appropriate to the agreement of other funders where they also contribute towards this service, and the availability of the County Council's own financial resources. Any spend will be dependent on the relevant funding being available.
4. That the Executive Member for Economy, Transport and Environment approves the approach that a reduction or removal of funding from a partner authority would be matched by an equal reduction in the number of mopeds available in the relevant local authority area and that Hampshire County Council would review its funding to the scheme in that area.
5. That the County Council will provide the Contractor with the mopeds required to operate the service with ownership being assigned to the Contractor for the

duration of the Contract and that at the end of the Contract mopeds will be returned and ownership of these reassigned to the Council.

6. That the overall approach to tendering, as set out in this report, is agreed in principle, and that the Director of Economy, Transport and Environment is given delegated authority to finalise the detail including the price to quality ratio in consultation with the Executive Member for Economy, Transport and Environment.
7. That the Executive Member for Economy, Transport and Environment delegates authority to the Director of Economy Transport and Environment, in consultation with the Head of Legal Services, to enter into contractual arrangements for the receipt by the County Council of funding where appropriate with any respective funding partners for the initial contract term, and subsequently to cover any contract extensions as outlined in this report.

Executive Summary

8. The existing contract for the Wheels to Work Loan Scheme will expire on 31 March 2021. This report seeks approval for a procurement process which will enable a new contract for this service to be awarded.
9. The report also sets out the overall approach for commissioning a new contract for the Wheels to Work Loan Scheme. This will include making provision where the necessary finances required can be identified for the service to:
 - a) be extended to other district council areas in Hampshire where the scheme is not currently available; and
 - b) diversify the types of vehicle available through the scheme to include not just mopeds but also bicycles, electric bikes and micro mobility vehicles.

Contextual information

10. The existing Wheels to Work Loan Scheme provides short term moped loans to young people (16 -25 years) to help them to access employment and training opportunities. Loan periods are initially for a period of six months with the option to extend to a maximum of 12 months. The aim is that at the end of the moped loan period that users will have secured employment and their own transport arrangements.
11. The scheme currently operates in East Hampshire, New Forest, Test Valley and Winchester. The scheme has the capacity to loan out 28 mopeds across these four districts. Two district councils in the county, East Hampshire District Council and New Forest District Council, currently contribute towards the costs of the scheme being provided in their areas.
12. The existing contract for the Wheels to Work Loan Scheme expires on 31 March 2021. This report proposes that this scheme should now be retendered with a new contract awarded from 1 April 2021 to ensure continuity of service for users. It also sets out the basis on which the scheme should be tendered.

Contract for the Wheels to Work Scheme

13. The tendering process will result in a new contract being awarded for the Wheels to Work Loan Scheme from 1 April 2021, initially for two years with the option to extend this for up to a further four years subject to the availability of funding. The cost of the contract award for the full contract term is estimated at up to £500,000 of which £405,000 would be provided by the County Council and £95,000 is expected to be provided by the district councils currently funding the scheme, namely East Hampshire District Council and New Forest District Council.
14. Additional payments are also made to the successful contractor to enable the purchase of new and replacement mopeds. Payments are subject to the submission of a satisfactory business case by the operator and made through the contract. The cost of replacing mopeds over the full six year contract term is estimated at up to £175,000 of which £136,000 would be provided by the County Council and £14,000 is expected to be provided by the district councils funding the scheme.
15. The Council will provide the Operator with the mopeds required to operate the service at the outset of the contract. Ownership of the Mopeds will then be assigned by the Council to the Contractor for the duration of the Contract with the Contractor being identified as the registered keeper of each Moped. The Contractor will then be responsible for the mopeds which may only be used within the terms of and for the purposes of the contract. At the end of the contract the Mopeds would be returned to the ownership of the Council, at no cost to the Council
16. The County Council's contribution towards the initial contract award and vehicle replacement payments as set out above will be met from the Community Transport Budget and the vehicle replacement reserve.
17. A number of changes to the scheme have been identified for the new contract. With the increasing number of electric mopeds options now available the new contract will move towards purchasing electric mopeds instead of conventional mopeds unless there are good operational reasons for not doing so in specific circumstances. Whilst the scheme targets 16-25 year olds a small number of users over the age of 25 years have been allowed to use the scheme in two district councils areas in specific circumstances. This support could be extended to all district council areas covered by the scheme in the new contract.
18. In order to award a Contract for the Wheels to Work Loan Scheme following the tendering process, it is proposed that the Executive Member for Economy, Transport and Environment gives authority to procure and spend up to a value of £500,000 (six year cost), and to enter into a two year contract from 1 April 2021 with an option to extend this for up to a further four years, subject to the availability of the necessary financial resources.
19. A separate recommendation seeks authorisation to make additional payments to the successful contractor to enable the purchase of new and replacement mopeds from the vehicle replacement reserve up to the value of £175,000 over the six-year contract term.
20. It is proposed that the tender issued for this procurement process should be for up to a value of £2,075,000 to reflect the possibility that external funding to

expand and develop the services offered through the scheme could come forward over the next few years and that demand for the scheme is likely to increase during the Covid 19 recovery stage. Development of the scheme could involve providing a more diversified vehicle offer, including the use of electric bikes, bicycles and even micro mobility vehicles which could make the scheme more attractive to its customer base. The scheme could also be extended to those district council areas not yet covered.

21. Potential funding sources could include the recently won bid for Future Transport Zones which has secured funding through Solent Transport to deliver, among other things, micro mobility schemes and from further district council contributions or private sector sponsorship. The possibility of this seems likely because of the current Covid 19 situation which has disproportionately hit public transport users which themselves are disproportionately represented by the age group targeted by this scheme. National Government policy is moving in favour of new micro mobility schemes and legislation is expected to be passed that will remove existing legal barriers to the use of some forms of micro mobility vehicles. The tender would therefore offer the scope to expand the Wheels to Work Loan Scheme to those district council areas not currently covered and extend the range of services available through the scheme, subject to the additional funding required being identified, without the need to go through a further procurement process.
22. Any contributions from other funding partners towards the Wheels to Work Loan Scheme will need to be covered by Deeds of Agreement with the County Council, which will ensure the maintenance of funding arrangements between the County Council and its partners. The Deeds of Agreement will confirm funding partners' financial contributions for the initial contract award period, as set out in Sections 15 of this report. Contracts will have the option to run for an initial two-year term, and further Deeds of Agreement may need to be put in place beyond this to allow contracts to run their full term. It is therefore proposed that the Executive Member gives approval for the County Council to enter into Deeds of Agreement with each of the respective funding partners for the initial contract term and subsequently to cover any contract extensions as outlined in this report.

User Engagement Process

23. An engagement process with current and previous users of the Wheels to Work Loan Scheme will take place in preparation for the proposed procurement exercise. The engagement process will seek users views on their experience of using the service and their views on how the scheme could be improved in the future.
24. Their responses will contribute to the tender design and a summary of these will be included in the tender document for potential bidders to consider when making their tender submissions

Tender Design

25. Prior to the tender being issued for the scheme a number of decisions need to be made. Approval is sought for the overall approach outlined below in order to allow officers to proceed with the process of preparing and issuing a tender.

26. The Wheels to Work Loan Scheme will be commissioned outside of the existing Dynamic Purchasing Systems used normally for procuring passenger transport services given the distinct requirements of this particular service.
27. To manage tender prices, tenderers will be required to indicate the level of service they can provide for declared budgets which will cover a range of options for extending and developing the scheme. Any bid in excess of the available budgets will be rejected. The evaluation of tenders will be based on quality and price, but as price will be capped, service quality will be given a higher emphasis over price.
28. The tendering process will be designed to ensure quality of service to users whilst also encouraging tenderers to submit realistic bids within the available budgets. It is proposed that the overall approach is agreed in principle and that the Director of Economy, Transport and Environment is given delegated authority to develop the detail in consultation with the Executive Member for Economy, Transport and Environment.
29. The County Council will liaise with the respective funding partners who will jointly fund this contract, where appropriate, with regard to the arrangements for the tendering process.

Consultation and Equalities

30. The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The proposal will not amend the existing arrangements for service users as the funding available for supporting a continued service will remain unchanged. It also proposes an expansion of the scheme for 16-25 year olds to all areas subject to the additional funding being available for this. The proposal will also make the scheme available to people over 25 years of age in all of those district council areas where the scheme operates. Therefore the scheme is assessed as having a neutral impact on groups with protected characteristics.
31. A user engagement process will take place with current and previous users of the scheme and their feedback from this will inform the design of tenders for the proposed procurement exercise. The successful bid will also be subject to its own impact assessment following the procurement exercise.

Conclusions

32. This report seeks authority to tender and award a new contract for a Wheels to Work Loan Scheme in Hampshire for a contract term of up to six years. The scheme will offer young people moped loans to enable them to access employment and training opportunities.
33. The scheme currently operates in four district councils areas and it is proposed that the procurement process for a new contract should offer the scope to expand the Wheels to Work Loan Scheme to those district council areas not currently covered and extend the services available through the scheme, subject to the additional funding required for this being identified.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Community Transport Contracts and Grants Report Reference 5754	<u>Date</u> 1/04/2014
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The proposal will not amend the existing arrangements for service users as the funding available for supporting a continued service will remain unchanged. It also proposes an expansion of the scheme for 16-25 year olds to all areas subject to the additional funding being available for this. The proposal will also make the scheme available to people over 25 years of age in all of those district council areas where the scheme operates. Therefore the scheme is assessed as having a neutral impact on groups with protected characteristics.

A user engagement process will take place with current and previous users of the scheme and their feedback this will inform the design of tenders for the proposed procurement exercise. The successful bid will also be subject to its own impact assessment following the procurement exercise.