



WHEELS TO WORK PHASE 2

Executive Summary

This document summarises the business case being developed for the proposed next phase of the Tees Valley Wheels to Work scheme

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PROJECT SPONSOR DETAILS	
Lead Organisation:	Tees Valley Combined Authority
Registered Address:	Cavendish House, Teesdale Business Park, Stockton-on-Tees, TS17 6QY
Type of Organisation:	Combined Authority
Date of Formation:	April 2016
Company Registration Number:	N/A
VAT Registration Number:	N/A
Are you part of a group of companies?	TVCA Group
If so, who is the parent company?	TVCA
Lead Sponsor: name	Tom Bryant
Lead Sponsor: position in organisation	Head of Transport
Contact address if different from above:	

PUBLICITY STATEMENT
<p>There are gaps in public transport provision in Tees Valley, which makes it impossible for some people to get to work and learning opportunities. Tees Flex, our existing on-demand bus service, helps to provide a solution but it doesn't work for everyone.</p> <p>Unfortunately, the cost of private transport makes it beyond the means of some individuals. This is where Wheels to Work, complements our other transport initiatives by helping to get people from A to B where there are no other options to make that journey.</p> <p>The Wheels to Work project will help people who do not have access to a car or bike, or who cannot make the journey by bus or train, to get to their job or college. This Tees Valley scheme will hire an electric motorbike, or e-bike, to eligible individuals for a short period of time (maximum of 6 months). It will also provide the necessary safety equipment and training.</p> <p>Tees Valley Combined Authority have allocated £840,000, to purchase a fleet of electric vehicles, and to pay for the running costs of the scheme for 3 years and through the procurement of a partner to deliver this scheme, we will be seeking to maximise the number of people who can benefit from the scheme.</p>

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TVCA Ref:	ITP0008
Project Name:	Wheels to Work
Location: (delete as appropriate)	Tees Valley wide
Total Project Cost and Duration:	£840,000, for 3 years 2021 to 2024
TVCA funding requested: £	£840,000

DESCRIPTION
<p>What is this project, what will it do?</p> <p>This project is the next phase of Wheels to Work in Tees Valley.</p> <p>It will build on, and provide continuation of, an existing scheme which has been trialed for three years. This phase of the project will allow support to be given to more people whilst also improving</p>

the green credentials of the vehicle fleet, by transitioning to an all-electric, rather than petrol or diesel fueled, vehicles.

The scheme provides an affordable means to access employment, education and training opportunities for those without access to public transport or the means to purchase or hire their own private vehicle.

Scheme participants are given training and hire a small scooter or an electric bicycle for up to six months to help them establish themselves at a new place of employment, retain existing employment or access training.

Why this project is needed? What is the problem we need to solve? (Rationale for intervention)

This project provides a solution to transport deprivation ensuring that individuals don't become socially or economically excluded. It aims to help unemployed people get to jobs, help keep people in jobs where they are at risk due to transport issues and also help people into training and learning places.

This project is needed because there is an incomplete transport system across Tees Valley. Some areas are not served by buses, because declining bus patronage makes routes unviable for commercial operators, which has been made worse as most subsidised bus routes have been withdrawn. The Tees Flex on-demand bus service addresses this issue to an extent, but it is not designed to provide individuals with their own mode of transport to access employment or training.

This leaves a gap. This gap makes it difficult for people to get to where they need to be for work, education or training opportunities. This gap is the problem the project is trying to solve.

For people in poverty, with low incomes, individual transport is not affordable. For people who are financially better off, they can fill the gap in public transport provision with their own car. For people who cannot afford their own vehicle, lack of transport becomes a barrier to taking up job, education or training opportunities.

Demand for the scheme has been proven, as the trial scheme has been regularly oversubscribed.

How much support are we giving and who is it for? (Scale and scope of intervention; assessment of support needed)

The project will provide an individual transport solution for people who do not otherwise have the means to get to work.

To be eligible for the scheme participants will need to:

- Be resident within the Tees Valley;
- Be employed (minimum of 16 hours) or have an offer of employment/training;
- Have a valid reason why they are unable to walk or cycle independently to an employment/training opportunity;
- Be means tested (approach to be agreed with successful delivery partner);
- Have no bus service that covers their requirements - time of day or geographically;
- Have secure overnight accommodation for the e-motorbike;
- Agree to a driver check; and
- Pay the agreed payment fee every month on the agreed date.

<p>Economic calculations for the Tees Flex project identified a group of people, over 6000 economically inactive people, who would need public transport to enable them to get to jobs and training because they don't have access to a private car. Where Tees Flex isn't a suitable solution, Wheels to Work could help.</p>	
<p>How does this project fit alongside other projects? (Complementarity / Displacement)</p>	
<p>Tees Flex: The Integrated Transport Programme also provides funding for the Tees Flex on-demand bus service. This service fills in gaps in transport provision by offering an on-demand bookable service in areas where there are no other bus routes. Journeys start and end from set points - 'virtual bus stops'. Passengers book their travel in advance via phone or app and can expect to be able to commence their journey within 45 minutes of the booking. The service operates between 07:00 – 20:00 Monday to Saturday. As there are limitations to the times the Tees Flex service is available and the places it goes between, there remains a gap in provision – this is where Wheels to Work is complementary.</p> <p>Routes to Work: TVCA has access funding to support people to overcome the barriers that prevent them trying to access work. It is for people over the age of 30, who are unemployed or economically inactive across the Combined Authority area, who are deemed to need the most help and support to move back into work. Where the final barrier is lack of available transport, the Wheels to Work scheme can help overcome this and enable people to overcome worklessness.</p> <p>The procurement specification requires the operator of the Wheels to Work project to work with other support organisations operating across Tees Valley to contribute to the holistic support offered to people with multiple barriers to economic activity.</p>	
<p>What must be achieved by the project? (Critical Success Factors and how measured)</p>	
<p>Provide access to jobs, education and training for people otherwise excluded</p>	<ul style="list-style-type: none"> • number of jobs taken up, • number NVQs achieved • number of enhanced qualifications achieved
<p>Demonstration of technology, raising awareness to users and their networks</p>	<ul style="list-style-type: none"> • increase in sales of electric bikes • increase in sales of electric motorbikes • increase in sales of electric cars • Attitudinal change – reduced range anxiety
<p>Reduction in GHGs from transport</p>	<ul style="list-style-type: none"> • Reduction in emissions relative to petrol scooters
<p>Electric Vehicle Use Data</p>	<ul style="list-style-type: none"> • evidence base for future schemes
<p>Travel to work Data</p>	<ul style="list-style-type: none"> • evidence base for future schemes
<p>How is the project restricted? How has the project been developed to work within these? (Constraints)</p>	
<p>Geography</p>	<p>Funding for this project, and therefore eligibility, is only for people resident in Tees Valley</p>
<p>Subsidy Control</p>	<p>How the funding is granted, and to whom, must comply with prevailing law</p>
<p>Duration</p>	<p>Funding has been calculated for three years, so the project must be structured with an exit strategy for the beneficiaries, and the assets paid for by the scheme</p>
<p>Funding</p>	<p>There is a limited fund which must cover buying the vehicles (capital assets) and also the operational costs (revenue) of running the scheme,</p>

	and the relationship between the two costs is not known. The funding, and the procurement, is designed to be flexible between the capital and revenue costs
Affordable Hire Charges	Experience from the trial sets an upper limit to the hire charges which means that the income to the scheme is insufficient to cover all costs of purchase and maintenance, and the subsidy will be required on an ongoing basis as it is not a commercial proposition
Eligibility Criteria	This scheme is to solve the transport problem for a specific group of people who need it most. The criteria above specifies the cohort for this project, it is not for everyone
Battery Capacity	The limitation of the charge held in the batteries will place a maximum distance on journeys that the vehicles can do. This may limit opportunity for some people although charging at the place of work/training should be feasible. The scheme operator must review the suitability of electric vehicles and availability of charging facility for individual requirements.
How could we solve the problem? (Preliminary Option Development)	
Option 1:	Do nothing
Option 2:	Do something: Direct payment to people to pay for transport to get to work
Option 3:	Do something: Contribution to employer to pay for transport to get to work
Option 4:	Do something: Fund a scheme as proposed
Option 5:	Do something: Subsidise commercial provider to reduce the cost of hire
Option 6:	Do something: Subsidise Hire Purchase offer
Option 7:	Do something: Subsidise vehicle cost
Option 8:	Do something: Continue to fund and expand existing scheme of petrol scooters
What will we achieve? (Benefits: outputs, outcomes, impacts)	
Outputs	The investment will deliver: A fleet of electric vehicles. Service delivery partner provides hire service management, and fleet maintenance operation service.
Outcomes	Indirectly, the investment will enable people to: <ul style="list-style-type: none"> • Get to work • Take up training places • Achieve qualifications
Impacts	This will contribute to <ul style="list-style-type: none"> • Reduced economic inactivity • Improved income • Improved prospects • Improved wellbeing • Reduced GHGs

- Increased take up of zero emission transport options.

How will we do this, what risks might we face? (Assessment of Deliverability)

A delivery partner will be procured to supply a fleet of e-motorbikes and to manage all aspects of the scheme, including engagement with scheme participants, vehicle maintenance and storage.

This project presents several risks. High level risks at this stage of project development are:

Procurement: securing the right fleet, and the right provider is key to the successful delivery of this project. Carefully designed procurement specification, and using established public procurement processes, will aid selection of the best organisation to run the scheme.

Subsidy Control: a competitive transparent procurement process will mitigate the risk of paying too much for the service, and not achieving value for money; the clearly defined market for the scheme reduces the risk of distorting the commercial hire market to benefit the delivery partner.

Fleet control: the provision of an asset with wheels presents the risk of being ridden away and not returned. The risk of loss is mitigated as the fleet is fitted with tracking devices, and GPS in the vehicles provides data on use, which encourages better riding and reduces misuse. In the event a vehicle is stolen, the risk of loss is transferred to the delivery partner in their contract, the risk to them mitigated by having in place appropriate insurance.

Contract Management: An experienced delivery partner is sought to manage the project, this presents a greater risk if the partner is managing the scheme remotely than if the partner is based in the locality. To mitigate this risk, the delivery partner will have to set out how they propose to manage the contract.

What will happen next? (Consultation and due diligence process)

The publication of this summary of the project commences the three-month consultation phase.

On completion of the consultation, the business case development process will end and the business case will be submitted for appraisal. Subject to appraisal the investment decision will be made.

If you have comments or questions, please contact us at transport@teesvalley-ca.gov.uk