

Forward Plan reference number: n/a

Report title: Community Transport Funding for the financial years 2020/21 and 2021/22	
Report to: Councillor Ray Gooding, Cabinet Member for Education and Transport	
Report author: Helen Morris – Head of Integrated Passenger Transport Unit (IPTU)	
Date: 12 December 2019	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1. This report seeks approval for the continuation of Essex County Council's ("ECC") funding for Community Transport (CT) schemes in Essex for the financial years 2020/21 and 2021/22.

2. Recommendations

- 2.1. To agree the funding allocation of £1.1m per annum to the Community Transport (CT) schemes for each of the financial years 2020/21 and 2021/22 to the providers as set out in Table 1 below.

3. Summary of issue

- 3.1. ECC currently provides funding for CT schemes operating in each of the 12 districts of Essex. The current funding arrangements with each of the providers, totalling £1.1m per annum, ends on 31st March 2020.
- 3.2. ECC recognises that CT contributes a vital element to the county's transport infrastructure, allowing vulnerable and isolated people to keep independent and active within the community, making journeys to access services and amenities they would not otherwise be able to for shopping, social interaction and healthcare purposes. Without continued ECC funding some or all of the currently funded CT schemes are likely to be unable to continue the essential services ECC wish to secure.

Background

- 3.3. Under the provisions of the Transport Act 2000, ECC as Local Transport Authority must, in developing and implementing its Local Transport Plan have regard to the transport needs of those who are disabled, elderly or have mobility problems.

3.4. This is reflected in Essex's Local Transport Plan 2011, which states that ECC will seek to achieve 5 outcomes, one of which is to "Provide sustainable access and travel choice for Essex residents to help create sustainable communities";

- a) Enabling Essex residents to access further education employment and vital services (including healthcare, hospitals and retail)
- b) Maintaining the vitality of our rural communities
- c) Encouraging and enabling healthier travel and leisure activities
- d) Creating strong and sustainable communities.

(Essex County Council Local Transport Plan 2011, Page 23 table 2.1).

3.5. To satisfy this policy, in 2017/18 ECC awarded grant funding for the year totalling £1.1m per annum to support the Essex CT schemes provided by not for profit, third sector transport providers listed in **Table 1** below. It is proposed that the 2020/21 and 2021/22 funding allocations remain as set out below.

Table 1 Community Transport Grant Payments 2017/18		
District	Organisation (name of scheme in brackets if different)	Amount
Basildon	Basildon Community Transport Services Ltd	£103,367.00
Braintree	Braintree District Council (Braintree Community Transport)	£90,332.50
Brentwood	Brentwood Community Transport Ltd	£59,853.00
Castle Point	Wyvern Community Transport Ltd	£52,289.50
Chelmsford	Chelmsford Community Transport Ltd	£95,540.60
Colchester	Colchester Community Voluntary Services Ltd (Colchester Community Transport)	£109,775.10
Epping Forest	Epping Forest Community Transport (Epping Forest)	£70,645.10
Harlow	Epping Forest Community Transport (Harlow)	£103,929.30
Tendring	Harwich Connexions Transport Cooperative Ltd	£61,190.80
Maldon	Colchester Community Voluntary Services Ltd (Maldon District Community Transport)	£59,985.70
Rochford DC	Wyvern Community Transport Ltd	£60,923.80
Tendring DC	Tendring Community Transport Ltd	£128,720.50
Uttlesford	Uttlesford Community Travel Ltd	£92,898.50
	Total	£1,089,451.40

The contribution is used to provide specific types of CT services for the residents of Essex with disabilities as well as those who cannot access conventional public transport. Accordingly, a range of types of transport services are currently provided including:

- Dial a Ride (set up for individuals who cannot access conventional public transport) and has to be pre-booked.
- Social Car schemes, where volunteers use their own car to take passengers and assist them with all aspects of their journey, especially in rural areas for those socially excluded.
- Minibus services for group hire to third sector not for profit groups.
- Community bus services, where a vehicle runs to a registered timetable and can carry the general public, under Section 22 (as amended) of the Transport Act 1985 (as amended).

3.6 Together these services provide approximately 500,000 passenger journeys each year, offering a lifeline to many of the most disadvantaged people in Essex. An example of this in Tendring where two schemes work together to provide services to hospitals which cannot be easily reached on existing service. Utilisation of the schemes can be monitored through quarterly returns, membership numbers and the use of the £5 cost per passenger journey criteria which ensures value for money under the existing policy. A number (although not all) of the schemes are funded in partnership between ECC, the local district council and the service providers set out in Table 1 above.

3.7 ECC's funding for CT services is a discretionary element of its expenditure.

3.8 ECC funding is not the only source of income for these schemes, which may establish a trading arm and accept a range of work and access additional funding streams. However, ECC recognises the importance of its funding in the wider system. The funding gives certainty to other funders, such as district councils and charitable trusts, to invest in the schemes.

Policy context

3.9. ECC's Organisation Strategy 2017-21 builds on the Vision for Essex 2013 -17. It sets out the Cabinet's vision and priorities for the next four years and informs the development of a corporate strategy designed to:

- Enable inclusive economic growth
- Help people get the best start and age well
- Help create great places to grow up, live and work
- Transform the Council to achieve less with more

3.10 The policy objectives for this report will help to deliver the following Strategic Priorities in the ECC's Organisation Strategy:

- Help people in Essex prosper by increasing their skills
- Help keep vulnerable children safer and enable them to fulfil their potential
- Enable more vulnerable adults to live independent of social care

- Improve the health of people in Essex
- Help to secure stronger, safer and more neighbourly communities
- Help to secure sustainable development and protect the environment
- Limit cost and drive growth in revenue

3.11.1 The decision also contributes to the Getting Around in Essex Strategy (particularly the policies in regard to:

- Working in partnership,
- Customer quality commitment,
- Support for valuable, but not commercial, services and;
- Tailored solutions)

3.12 It also supports the Local Bus Service Priority Policy 2015 to 2020 by addressing the following outcomes:

- Providing access to schools, colleges, and training, work, health and leisure services
- Providing access to health services, shopping, leisure activities, employment, reducing isolation and increasing independence.
- Providing access to learning and training opportunities, supplier workforce training and apprenticeships.
- Providing access to care services and providing safe transport for access to health, education, work and leisure services, reducing the number of people killed or seriously injured (KSIs).
- Attracting inward investment by offering improved connectivity, access to work and leisure opportunities and reducing congestion
- Reducing congestion, air quality and CO2 emissions.
- Enabling access to key services, improving community involvement

3.13. The strategy includes a strong drive to develop alternatives to traditional, timetabled bus routes for those areas and times where they would prove prohibitively expensive (mainly rural locations and where small volumes of passengers are involved). This requires ECC to work closely with communities, operators and taxi firms to develop tailored solutions that are cost effective and meet local needs.

3.14. This approach presupposes a strong CT sector capable of taking a full role in the emerging strategy within the legislative guidelines for CT operations. Continued support for 2020/21 and 2021/22 (financial and enabling) will help ensure that the sector remains in a position to take part in this process.

3.15. The recommended option in this report is consistent with the principles set out above. ECC recognises that CT offers a vital element of the county's transport infrastructure, allowing vulnerable and isolated people to keep independent and active within the community, making journeys to access services and amenities they would not otherwise be able to, including for shopping, social interaction and healthcare purposes. Offering a stable level of funding for two years will

give longer term stability to the schemes allowing them to develop their service offer and support the key groups access to services and amenities.

Process

3.16. ECC has carried out a range of engagements with the community transport service providers and district councils through 2015/16 to 2019/20. This was both through written correspondence and a series of stakeholder meetings and workshops. The purpose of the engagement was to address a range of issues, including:

- Modelling potential levels of funding reduction to help drive efficiency.
- Defining alternative funding sources.
- Improving co-operation between schemes to enable efficiencies.
- Developing revised business plans for schemes.

The outcome of this engagement was the production and agreement of a service level agreement which ECC will develop for 2020 onwards in liaison with the schemes.

4. Options

Option 1 – Do nothing

4.1. Doing nothing would mean that the current service level agreements will cease on 31 March 2020 which may result in a detrimental impact to the future ongoing financial sustainability of schemes across Essex should alternative funding not be secured with new partners, with the concomitant impact on our most vulnerable Essex residents and other ECC budget areas from the potential loss of services. Other ECC budget areas may be impacted as the lack of access to key services such as health services, shopping and social facilities may not be met without ECC intervention. The provision of Community Transport fulfils a gap in the network. ECC would also be failing to meet its statutory obligations as the Local Transport Authority and it is likely that funding campaigns from other areas would be at risk. For these reasons, this option is not recommended.

Option 2 – Reductions in funding

4.2. The common view expressed was that further reductions in service at these levels would have a significant impact on the ability of the schemes to be able to provide the services their customers need and risk that ECC statutory obligation to consider this need would not be met. For this reason, this option is not recommended.

Option 3 - Maintain the current level of funding for both 2020/21 and 2021/22 as set out in table 1 above.

4.3 This option would allow the operators to continue to provide their services for 2020/21 and 2021/22 and would offer the longer-term financial stability the

schemes have indicated they need to make further investment in resources to secure future services. Such investment could be in employees, vehicles or volunteer training. This is the recommended option.

5. Issues for consideration

5.1 Financial Implications

5.1.1 The agreement to allocate £1.1m per annum to Essex Community Transport schemes for the financial years 2020/21 and 2021/22 is fully budgeted within the aspirational MTRS for both years, although there remains a significant financial gap to be closed across ECC in the medium term. The value for money criteria is measured at less than £5.00 per passenger per journey. In 2018/19 the average cost per passenger per journey for all contributions paid was £3.65 which meets the criteria. However, on an individual basis, both Castlepoint and Rochford exceeded this benchmark with an average cost per passenger journey of £6.83 and £7.09 respectively.

5.1.2 The contributions are fixed and therefore any inflation risk resides with the community transport schemes.

5.1.3 The provision of a two year commitment however limits the Councils flexibility in 2020/21 and 2021/22. Additional savings required in both financial years will need to be met through other policy lines within the portfolio.

5.2 Legal Implications

5.2.1 ECC has a statutory obligation to consider transport services and have regard for transport needs of those who are disabled, elderly or have mobility problems.

5.2.2 When considering awarding contributions for CT schemes consideration needs to be given to compliance with state aid rules.

5.2.3 In the event that such grants are considered state aid, ECC could rely on an exemption the most likely exemption being the De Minimis exemption.

5.2.4 In order to successfully rely on this exemption, ECC should obtain a certificate from each provider to confirm that they have not received funding in excess of £500,000 over the period of the 3 preceding years and no funding should be provided until the provider can confirm the same. The funding agreement should also include a clause which requires them not to accept additional funding without ensuring state aid compliance and disclosing this to ECC.

6. Equality and Diversity implications

6.1 The Public Sector Equality Duty applies to ECC when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

6.3 Based on the recommended option, the equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

I approve the above recommendations set out above for the reasons set out in the report.	Date 26.02.20
Councillor Ray Gooding, Cabinet Member for Education and Skills	

In consultation with:

Role	Date
Executive Director for Corporate and Customer Services (S151 Officer)	17/02/2020
Stephane Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	12.12.2019
Katie Bray on behalf of Paul Turner	