

**Forward Plan reference number: FP/266/10/23**

<b>Report title:</b> Community Transport Funding for the financial year 2024/25	
<b>Report to:</b> Councillor Tom Cunningham Cabinet Member for Highways Maintenance and Sustainable Transport	
<b>Report author:</b> Helen Morris, Head of Integrated Public Transport Unit Helen.morris@essex.gov.uk	
<b>Date:</b> May 2024	<b>For:</b> Decision
<b>Enquiries to:</b> Helen Morris, Head of Integrated Public Transport Unit <a href="mailto:Helen.morris@essex.gov.uk">Helen.morris@essex.gov.uk</a> or Karen Saunders, Lead for Community & Education Travel <a href="mailto:Karen.saunders@essex.gov.uk">Karen.saunders@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## 1. Everyone's Essex

- 1.1. A strong transport network helps support everyone in Essex. It helps keys workers get to work, children get to school; older people to access shops and healthcare; reduces congestion; improves air quality and helps mitigate climate change. It supports diverse communities; brings people together; links families; and allows independent travel for those who don't drive. It supports our high streets; local employment; and those accessing training and looking for work. It is an important contributor to our drive to level up the County and address climate change.
- 1.2. This report seeks approval for the continuation of Essex County Council's ("ECC") funding for Community Transport (CT) schemes in Essex for the financial year 2024/25. This will enable a strong transport network for our most vulnerable members of the community enabling connectivity to key services for residents across the County and will also support our high streets and local businesses.

## 2. Recommendations

- 2.1. To agree the funding allocation of £1.1m to the CT schemes for the financial year 2024/25 as set out in Table 1 below, with payment to each organisation being subject to receipt of a certificate from each organisation confirming that no subsidy control issues arise and the organisation entering into a grant agreement with ECC.
- 2.2. Agree to enter into Grant Agreement for allocated funds with each of the organisations listed in paragraph 3.5 and to delegate to Head of IPTU to agree the final terms.

## 3. Background and Proposal

- 3.1. The Government has published a national bus strategy entitled 'Bus Back Better' which has been the subject of previous Cabinet reports and which is the mechanism by which Government and ECC will seek to recover and improve the bus network to improve sustainability. CT Schemes complement the bus network and are a key consideration when reviewing the local bus network referred to in the Cabinet Report FP/093/03/23, Supporting Local Bus Services – 2024 onwards.
- 3.2. 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 2024.
- 3.3. 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. ECC are aware through regular engagement with the schemes that 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.
- 3.4. 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.
- 3.5. To satisfy this policy, ECC has awarded grant funding totalling £1.1m per annum since 2017/18 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 2024/25 funding allocation remain the same as the funding allocated in previous years including 2022/23 and 2023/24 as set out below:

<b>Table 1 Community Transport Grant Payments per annum 2024/25 by District</b>		
<b>District</b>	<b>Organisation (name of scheme in brackets if different)</b>	<b>Amount</b>
Basildon	Basildon Community Transport Services Ltd	£103,367
Braintree	Braintree District Council (Braintree Community Transport)	£90,333
Brentwood	Brentwood Community Transport Ltd	£59,853
Castle Point	Wyvern Community Transport Ltd	£52,290
Chelmsford	Community 360	£95,541
Colchester	Community 360	£109,775
Epping Forest	Epping Forest Community Transport (Epping Forest)	£70,645
Harlow	Epping Forest Community Transport (Harlow)	£103,929
Tendring	Harwich Connexions Transport Cooperative Ltd	£61,190

Maldon	Community 360	£59,986
Rochford	Wyvern Community Transport Ltd	£60,924
Tendring	Tendring Community Transport Ltd	£128,721
Uttlesford	Uttlesford Community Travel Ltd	£92,899
	<b>Total</b>	<b>£1,089,453</b>

3.6. The contribution is used to provide specific types of CT transport 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 of the Transport Act 1985 (as amended).

3.7. Together these services provide approximately 400,000 passenger journeys each year/. Passenger numbers are beginning to increase followed Covid 19. The journeys continue to offer 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. Whilst a number of the schemes benefit from funds from other organisations, utilisation of the schemes is monitored through quarterly returns and membership numbers.

3.8. ECC's funding for CT services is a discretionary element of its expenditure. It is provided to schemes purely for the transport element of their scheme and passenger journey data is provided to ECC on a monthly basis by each scheme to support this.

3.9. ECC funding may not be 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. ECC regularly engages with CT schemes, countywide through written communication, virtual and face to face meetings. The purpose of engagement is to address a range of issues, including potential alternative levels of funding, identifying transport gaps in the network and developing co-operation between schemes to enable efficiencies.

3.10. ECC recently held an engagement session with CT schemes where we established that:

- demand for passenger trips to and from hospitals is increasing for outpatient clinics.
  - without this transport, patients would not be able to attend these appointments.
  - there remain areas of Essex which are isolated from public transport provision.
  - CT provision contributes to all ECC strategic ambitions and priorities through services in addition to transport – e.g. addressing loneliness and welfare issues which may otherwise go unnoticed.
  - A grant agreement will be required and in place for the period of this funding decision to monitor journeys and further understand demand, both met and unmet.
  - ECC will work collaboratively with District Councils and wider ECC colleagues with an interest to maximise use of funding and establish networks to benefit passengers and schemes.
  - CT schemes meet the aims of the Social Value Act
- 3.11. ECC recently held an engagement session with a number ECC colleagues and District Councils where a commitment was made to work collaboratively with the CT providers and District Councils to resolve some of the challenges and barriers faced in managing the growing demand for transport services.
- 3.12. A grant agreement will be put in place with the CT providers. The agreement will clearly show what is expected from the CT schemes and what they can expect from ECC.

#### **4. Links to our Strategic Ambitions**

- 4.1. This report links to the following aims in the Essex Vision
- Enjoy life into old age
  - Strengthen communities through participation
  - Develop our County sustainably
  - Connect us to each other and the world
  - Share prosperity with everyone
- 4.2. Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:
- 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).

- Enable Community Transport schemes to be included in ECC's planned work to support Bus Back Better with their contribution to the planned network reviews.
- Enable Community Transport schemes to form a key part of the Bus Service Improvement Plan (BSIP) through enhanced partnerships.
- 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

This report links to the following strategic priorities in 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

## 5. Options

**Option 1 - Maintain the current level of funding for the financial year 2024/25 as set out in table 1 above (recommended).**

- 5.1. This option would allow the operators to continue to provide their services for 2024/25. By working with the Alliance colleagues in District Councils we would be able to consider longer term financial stability the schemes have indicated. The schemes will need to make further investment in resources to secure future services. Such investment could be in employees, vehicles or volunteer training which will enable schemes to continue to operate and to contribute to the network reviews across the County.
- 5.2. This is the recommended option.

**Option 2 – Do nothing (not recommended)**

- 5.3. Doing nothing would mean that the current arrangements will cease on 31 March 2024 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. This will have a detrimental effect on our most vulnerable Essex residents. Additionally, 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. CT schemes fulfil vital gaps in the transport network. ECC have a statutory duty to consider any lack of transport provision for a community and, as a result of those considerations, it is recommended that Option 1 is the recommended option because it offers the ability to call on schemes where communities may be isolated.
- 5.4. For these reasons, this option is not recommended.

### Option 3 – Reductions in funding (not recommended)

- 5.5. This would lead to reductions in service levels and would have a significant impact on the ability of the schemes to be able to provide the services their customers need. This would create a risk that the ECC statutory obligation to consider this need would not be met.
- 5.6. For this reason, this option is not recommended.

## 6. Issues for consideration

### 6.1 Financial implications

- 6.1.1. The agreement sought is to allocate £1.1m per annum to Essex Community Transport schemes.
- 6.1.2. ECC finance officers have reviewed the financial sustainability of the Essex Community Transport Schemes and it would appear likely that their viability would look precarious without ECC's continued investment.
- 6.1.3. Schemes for the financial year 2024/25 are fully budgeted within the MTRS, this is shown in Table 1 below.

Table 1 - 2024/25 budget

	2024/25 Budget £000
Community Transport	1,106

- 6.1.4. In addition to the Essex Community Transport Schemes, Essex County Council also makes an annual contribution from this budget for the Harwich Harbour Ferry (£12,500) as part of a partnership agreement.
- 6.1.5. Value for money is measured by looking at the average cost per passenger per journey and this is expected to be less than £5.00 per passenger journey. In 2022/23 the average cost per passenger per journey for all contributions paid was £3.19 which meets the criteria. On an individual basis, Castlepoint, Harlow and Rochford exceeded this benchmark with an average cost per passenger journey of £8.14, £5.38 and £22.67 respectively. However, there continues to be an increase in the number of passenger journeys undertaken and in 2023/24 the average cost per passenger journey is forecast to have been lower than the £3.19 seen in 2022/23.
- 6.1.6. The grant to be paid in 2024/25 is fixed and therefore any inflation risk resides with the Community Transport Schemes.

## 7. Legal implications

- 7.1 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.

7.2 In determining whether to award grants in support of CT schemes, ECC must consider compliance with subsidy control rules.

7.3 A subsidy is a measure which:

- is given by a public authority
- gives an enterprise (including charities) an economic advantage that is not available on market terms (such as a grant) and
- affects international trade (harm to international trade is not required).

7.4 Where a measure is given to a truly local enterprise, the measure is unlikely to affect international trade. Where the listed organisations are purely local (i.e. not operating in other locales or with other objectives), then the grants are unlikely to be considered a subsidy.

7.5 Where any of the listed organisations are not purely local, ECC must consider whether the measures could constitute a subsidy in violation of any trade agreements principles or requiring prior approval. There are exemptions for small amounts of financial assistance, which are subject to financial limits and are a permitted subsidy.

7.6 Generally, a community transport service would be a service of public economic interest (SPEI). The relevant exemption for small amounts of financial assistance for the recommendations set out in this report is the subsidy threshold of approximately £725,000 over the rolling calculation period (approximately 3 years). So long as each provider has not received over the threshold for SPEI (cumulative across all government sources) over a 3-year period, then the proposed grant will likely be considered lawful. Relevant enquiries should be made so that ECC is assured that a) the grant will be used for the purpose intended and b) that the grant would not put the provider in excess of the SPEI small amounts of financial assistance threshold.

7.7 The grant made may not exceed the amount necessary to deliver the SPEI

7.8 The procedural requirement of the Subsidy Control certification from the community transport providers, ECC should use appropriate grant funding agreements that will include, among other provisions, appropriate controls with regard to any prohibited subsidy and any required mechanisms for repayment of grant funding where grant conditions are not met. The grant agreement must also meet the requirements of the Subsidy Control Act 2022

## **8. Equality and Diversity Considerations**

8.1 The Public Sector Equality Duty applies to the Council 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.

8.2 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).

8.3 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.

## 9. List of Appendices

Appendix A: Equality Impact Assessment

### List of Background papers

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Tom Cunningham - Cabinet Member for Highways Maintenance and Sustainable Transport</b>	23.05.2024

In consultation with:

<b>Role</b>	<b>Date</b>
<b>Mark Ash - Executive Director: Climate Environment &amp; Customer</b>	22.05.2024
<b>Tom Blackburne- Maze consulted Director Highways &amp; Transportation</b>	22.05.2024
<b>Executive Director, Corporate Services (S151 Officer)</b>	
<b>Stephanie Mitchener on behalf of Nicole Wood</b>	09.04.2024
<b>Director, Legal and Assurance (Monitoring Officer)</b>	
<b>Laura Edwards on behalf of Paul Turner</b>	17.05.2024