

Agenda Item No. 7(j)

DERBYSHIRE COUNTY COUNCIL

CABINET

7 July 2015

Report of the Strategic Director – Economy, Transport and Environment

**CONSULTATION ON PROPOSALS TO CHANGE THE PROVISION OF
COMMUNITY TRANSPORT SERVICES (HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE)**

(1) **Purpose of Report** To seek the approval of Cabinet to carry out a formal consultation process on changes to the provision of Community Transport services.

(2) **Information and Analysis**

Background

At its meeting on 24 March 2015, Cabinet considered a report outlining the results of a public engagement on the use of Local Bus and Community Transport (Minute No.126/15 refers). The report explained that the current Financial Plan indicates that the Authority will need to reduce funding for Community Transport from its present level and that officers were developing proposals for the provision of services from April 2016. It was also noted that formal public consultation and an equality analysis would be needed on any emerging proposals before any decision could be made and Cabinet agreed to receive further reports in due course.

This report outlines the proposals that have been developed and the arrangements being made for public consultation prior to further consideration by Cabinet and if Cabinet so decided, the introduction of any changes.

Current Situation

Community Transport provides Dial-a-Bus services for people who are unable to use or who do not have access to public transport due to age, disability or rural isolation. It provides a door-to-door service using fully accessible minibuses and, typically, the service is used by older people to get to the shops and other town centre services. The service helps people to live independently and the high quality, personal service is highly valued by those who use it.

There are about 1,200 registered users in Derbyshire who make nearly 50,000 return trips a year. Currently, the service is provided by 6 independent charitable companies (originally there were 8 schemes but 2 pairs of schemes have now merged).

In addition to the core activity of providing Dial-a-Bus services, the Community Transport schemes provide transport for local community groups; help with transport to medical appointments through the aCTive Travel Scheme jointly funded by the County Council and the health sector; and undertake work under contract for the Council and other authorities, for example, adult care transport and transport for children with special needs.

Until 2014-15, Community Transport received annual grant funding from the County Council totalling £1.49m. Since 2010-11, this has been allocated in equal amounts to each scheme. In 2015-16, the Council's Financial Plan envisaged a £525,000 reduction in grant funding. This has been off-set by a contribution of £225,000 from the Public Health Resource Fund resulting in a net reduction of £300,000. Funding from the Clinical Commissioning Groups has also reduced by £50,000. This arrangement has reduced the County Council's grant funding to £1.14m, but contributions from the schemes themselves and the Public Health Resource Fund has enabled services to be maintained at their existing level and price until April 2016 but cannot be guaranteed beyond this date.

Need for Change

From April 2016 the Financial Plan envisages a further reduction in the budget such that the entire ETE budget for Community Transport will be removed. Whilst the budget is removed, there is no reason to believe that the need for the services offered by the Community Transport schemes has or will diminish. Indeed, an ageing population can be expected to increase the demand for these services. There may be scope for some passengers to transfer to conventional public transport, but people with greater mobility needs will continue to require a more personal door-to-door service.

The relatively small number of Dial-a-Bus passengers means that the annual cost of the service averages over £1,000 per person, a level of support that is unsustainable in the current financial climate. The budget pressures and the concern to ensure value for money suggest a need to re-consider the way in which the Authority meets the demand for this type of service.

Way Forward

If the budget savings outlined in the Financial Plan were to be implemented in full, the County Council would cease to provide any financial support for Dial-a-Bus services from 1 April 2016. In these circumstances the level of service would shrink to a fraction of its current level, the only services surviving being those that could be provided by Community Transport schemes in pursuit of

their charitable objectives or that could be funded from some other source. This could potentially lead to a very uneven pattern of service across the County.

Against this background, officers have considered an alternative way forward and it is suggested that public consultation should be undertaken on the following basis:

Provision of Essential 'life line' Service

This is intended to help people retain their independence and to avoid the need to make alternative provision. Under these arrangements all communities in Derbyshire would be provided with a once-a-week service, generally to the nearest town centre or supermarket.

The changes would make more efficient use of vehicles and drivers, for example, by reducing down time at the start, in the middle and at the end of the working day. This is likely to increase average passenger loadings on vehicles and, in some cases, journeys may start a little earlier or finish a little later than at present. Others would see a reduction in both the frequency of service and choice of destinations offered. The approach nevertheless represents a substantial improvement on the level of service implied by the Financial Plan and should help people meet their basic needs for access to food shopping.

Dial-a-Bus Fares

The Public Engagement found that 64% of respondents indicated that they would be prepared to pay more than the current fare of £2 for a return trip. It is therefore suggested that consideration should be given to increasing the cost of a return trip for Gold Card holders from £2 to £3, thereby generating additional income that can help support services.

New Procurement Arrangements

In order to ensure that the Authority receives value for money it is further proposed that this revised service should be procured through a process of open competition. This would need to be done in such a way that it ensured continuity of a high quality service. It is envisaged that the work would be tendered initially for one year with an option to extend for a further one or two years. The outcome of this cannot be determined at this stage, but it is thought that this would attract interest from Community Transport schemes and private operators.

aCTive Travel

This scheme was first established in 2010-11 as a joint project funded by the County Council and the then Primary Care Trusts. It provides a bespoke service and helps people who cannot use public transport to

access their GP, hospital and other healthcare appointments. In 2014-15, nearly 13,000 return trips were supported by the scheme.

Until the current year there has been an annual allocation of £20,000 to each scheme (a combined total of £160,000 County Council and health sector). In the current year, however, funding from the Clinical Commissioning Groups has not been available and a proportionate reduction has been made, reducing the grant to each scheme to £13,750 (twice this amount where two schemes have merged).

aCTive travel is operated differently by the Community Transport Schemes. Some schemes operate a Dial-a-Ride service using Community Transport wheelchair accessible vehicles and paid drivers, whilst others operate Volunteer Car Schemes with transport provided by volunteers using their own cars and receiving mileage reimbursement. Passengers contribute to the cost of the transport so the transport itself is largely self-financing. The grant is used to meet administrative and management costs associated with recruiting and retaining volunteers, making bookings and arranging transport.

There may be some potential for the Community Transport schemes to continue to provide these services using their own resources but, in the absence of significant grant funding, there cannot be any guarantee that the aCTive Travel Service will continue. In the circumstances it would be prudent to undertake public consultation on the basis that all County Council funding for the aCTive travel scheme would cease.

It is difficult to estimate the overall impact of these changes on the numbers of passengers carried, but it can be expected that some people will travel less frequently, whilst others will make their own arrangements with friends or family or, in some cases, switch to conventional public transport or alternative providers. The overall number of Dial-a-Bus journeys may reduce by perhaps a third from the current level.

Consultation Process

The consultation will last 8 weeks, with an anticipated start date towards the end of July 2015, running into early autumn. Details of the full consultation programme are still to be finalised but in outline will comprise online and printed questionnaires.

The questionnaire will be promoted widely to the general public to provide non-users an opportunity to comment on the proposals. The questionnaire will also be targeted at current service users directly through the six Community Transport groups.

Consultation will also take place with local stakeholders, including local councils and partner organisations, voluntary groups and other organisations likely to be affected by the change.

A variety of media will be used to promote the questionnaire, including press releases, posters, online information on the County Council's and Derbyshire Community Transport websites, through district, borough, town and parish council outlets and other organisations, such as 50+ Forums, directly relevant to the likely user groups.

For County Council Members, articles will be included in Members' e-news, while Call Centre and library staff will be fully briefed to be able to deal with queries.

(3) Financial Considerations The County Council has limited experience of procuring this type of transport service through a competitive process and it is difficult to estimate, with any accuracy, the cost of providing the type of service described in this report.

Members should be aware that there is considerable uncertainty associated with both the forecast of providing the service and the potential sources of funding.

Recent announcements from the Chancellor concerning public health budget cuts in the current financial year, have added further uncertainty about 2016-17 levels of funding.

Consideration has also been given to a potential timescale for implementing these changes. The proposed switch to a competitive process will add significantly to the timescale and it is now thought that the Authority is unlikely to be in a position to implement the changes before 1 July 2016. Subject to the Community Transport schemes agreement, the cost of extending the current scheme for a further 3 months, from 1 April 2016 to 30 June 2016, would be £285,000, which would need to be met from ETE budgets on a one-off basis.

Funding of £275,000 is available from the Community Transport Fund. This funding was awarded to the County Council by the Department for Transport in 2012, for developing Community Transport services and it may be appropriate to use some or all of this funding to help support the developments outlined in this report. It should be noted that this funding can only be used once and is not available on an annual basis.

In the longer term, there may be opportunities to integrate some Dial-a-Bus services with supported rural bus services, for example, through the introduction of demand responsive or flexibly routed services. This may help

to secure the future of these services and help to reduce the pressure on transport budgets.

The impact of these changes on the Community Transport schemes themselves cannot be determined, but it should be noted that the Authority has an interest in maintaining a healthy competitive market for specialist transport passenger transport services. In the event that any of the existing schemes cease to exist, there may be implications for the cost of providing specialist transport for Adult Care service users and for children and younger adults with special needs.

(4) **Legal Considerations** Whilst Section 63(1)(a) of the Transport Act 1985 states that Local Transport Authorities must secure the provision of such public passenger transport services as the Council consider it appropriate to meet any public transport requirements within the County which would not in their view be met apart from any action taken by them for that purpose, the Authority is not required to provide funding for community transport services.

The Council has an obligation to consult with those people and organisations likely to be affected by the proposals and to take all responses into consideration prior to any decisions being made.

In addition, the Equality Act 2010 provides that the Council should give 'due regard' to the need to eliminate discrimination, harassment and victimisation, and to advance equality and diversity, and foster good relations, in the exercising of its functions. This need for 'due regard' specifically applies to all nine protected characteristics set out in the Act, including age and disability. An Equality Analysis will form part of any subsequent report to Cabinet.

(5) **Equality and Diversity Considerations** In parallel with the consultation, an Equality Analysis will be completed in order to identify the potential impacts of the proposed changes. Any impacts and potential mitigation measures will be detailed in a later report to Cabinet.

Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, human resources, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Steve Cannon, extension 38148.

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 9.1 Agrees to consult on the proposals to change Community Transport services, as outlined in this report.
- 9.2 Notes that a further report will be made to Cabinet with recommendations, following the consultation, accompanied by an Equality Analysis.
- 9.3 Agrees, subject to the views of the current providers, to seek an extension of the existing grant funding arrangements for a further three months until 30 June 2016, at a cost of £285,000.

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