

FIT FOR THE FUTURE - COMMUNITY TRANSPORT REVIEW

Report of the Cabinet Member for Community

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Agenda Item: 5

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Key Decision? YES

Local Ward Applicable to all Wards.

Members

Lichfield
district council
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CABINET

1. Executive Summary

- 1.1 A Service Review of Community Transport has been undertaken under the Fit 4 the Future Programme and the final conclusions and recommendations were considered by a Community, Housing and Health Overview & Scrutiny Member Task Group on 11th August 2016. The project initiation document and a report setting out early findings having been considered at Community, Housing and Health Overview & Scrutiny Committee meetings in January and June 2016.
- 1.2 The Final Report attached at **Appendix A** sets out the process and findings of this Review. The Review has considered in detail the current service provision including usage by registered member groups and individual users, expenditure and income, gaps in service, processes and procedures and risks and resilience. It has also assessed the customer benefits, the opportunities for service improvement, alternative service delivery options and the impact of stopping the Service. Details of individual member groups and potential providers have been anonymised in the Final Report and are listed in a confidential appendix to this report within the private section of the Cabinet agenda.
- 1.3 The key findings are that:
- The majority of the Service is providing community transport to a relatively small number of member groups and users.
 - The member groups and individual users value the Service which provides opportunities for social interaction and helps reduce isolation for vulnerable people.
 - The current service is unsustainable without substantial further investment of capital funding and other resources to improve the Service.
 - The two other community transport providers based in the District limits opportunities to expand the District Council's Service.
 - Existing providers both based in and outside of the District have indicated that they have capacity and are interested in offering services to our member groups and other residents.

2. Recommendations

- 2.1 That Cabinet approve the following recommendations of the Review as set out on page 16 of the Report:
- the council stopping providing a Community Transport Service from 31st December 2016, giving Group Members time to make alternative arrangements
 - taking a range of steps to mitigate impacts on users and volunteer drivers
- 2.2 That authority is delegated to the Cabinet Member for Community in consultation with the Director of Place and Community to determine actions to mitigate impacts on users.

3. Background

- 3.1 The Fit for the Future Phase 1 budget reduction programme in 2013 included proposals for the cessation of Community Transport but following representations received, Cabinet acknowledged the concerns raised by the service users and partners and removed Community Transport from the proposals. Since then officers have looked at options to reduce the cost to the council of running the Service, with a view to becoming cost neutral. This hasn't proved possible and is very unlikely to be achieved under the current operating model.
- 3.2 Within the context of renewed financial pressures on the council (Local Government Finance Settlement announcement of December 2015) the council needs to be satisfied that the Community Transport Scheme is delivering value for money to local tax payers and is using its resources in the best way possible.
- 3.3 It was therefore decided to carry out a Fit for the Future Review of the Service. The main objectives of the Review are to better understand the needs of current member groups and the wider need for the Service and assess whether the council is achieving value for money from the Service and alternative options for delivery. The Project Initiation Document for the Community Transport Review was endorsed by the Community, Housing and Health Overview and Scrutiny Committee in January 2016.
- 3.4 The Project Steering Group has met five times and considered the following work streams:
- Current service provision
 - Opportunities to improve existing service provision
 - Other service delivery options

The key findings of this work is detailed in the attached report and summarised below.

Current Service Provision

3.5 **User Needs**

A review of the member groups and users of the Service was undertaken for 2014/15 and 2015/16 which identified that 13 groups (which were using the Service more than 10 times a year) accounted for 86% of all trips. The use by the top 13 user groups was analysed in detail and consultation carried out with these Member Groups and Individual Users. The detailed findings can be found Appendix 2 of the Review Report.

3.6 **Value for money**

To assess whether the Service is delivering value for money, processes and procedures were documented and reviewed and how it is resourced evaluated. The income and expenditure budgets and outturn for Community Transport in 2015/16 compared with the outturn in 2014/15 was also

considered, together with an analysis of mileage, costs and income by top user groups and for those groups using the Service less than 10 times a year. Finally, service risks and resilience were assessed.

3.7 This showed that the Service has operated with minimal resources and some of the key processes – e.g. taking bookings and invoicing are inefficient. It also highlighted the heavy reliance on the Community Transport Manager and the volunteer community transport drivers and the age of the three minibuses. The value for money assessment also demonstrated the extent of the council subsidy by users and the fact that 76% of income from charges is from the top 13 user groups. Further details can be found at Appendix 3 of the Review Report.

3.8 Improving and growing the current Service

The potential for service improvements was identified and associated costs estimated, along with an assessment of the scope to recover the cost of any investment. This concluded that whilst there are a range of options to improve the operation and efficiency of the Service, there is no evidence that income would increase to a level to justify the level of investment required particularly as there are other providers operating within and adjacent to the District. The service improvements and estimated additional costs are set out in Appendix 4 of the Review Report.

Other Service Delivery Options

3.9 Most community transport services are delivered by community interest companies or social enterprises. Options were explored and it was identified that working with existing providers was the most viable option. Of the other providers operating within and adjacent to the District, four out of five have indicated that they have spare capacity and would be interested in providing community transport services to residents of Lichfield District. This could help mitigate the impact on users if the Service no longer continues to operate. The options considered are set out in Appendix 5 of the Review Report.

Alternative Options	The Review of Community Transport includes the assessment of alternative options for the future of the Service. In summary, the options are either to increase the investment in the Service to bring it up to an appropriate standard or exit from in house delivery of a community transport service. ‘Do nothing’ is not a viable option.
Consultation	<p>As part of the Review, Community Transport Scheme member groups, users and volunteers have been surveyed to identify how and when they use the Service and the benefits of the Service to them.</p> <p>The Community, Housing & Health Overview & Scrutiny Committee considered key findings and early conclusions of the Review at its meeting in June and agreed to consider the final report at a Member Task Group in August</p> <p>The Task Group (Councillors Mrs Tranter, Mrs Evans and Leytham who Chaired the meeting) met on 11th August and commented as follows:</p> <ul style="list-style-type: none"> • That community transport is not an essential public service but rather a discretionary service provided by the council; nonetheless it is greatly valued by those who use it. Very few other Councils provide a similar service • The current minibuses are old and poor quality; they would not meet standards to be registered if they were used to provide a private hire service

- The cost of replacing the minibuses is prohibitive, especially given other demands on the capital programme; however, were the minibuses to be replaced, charges would need to be increased and there is no guarantee that the current member groups would continue to use the service (especially as other local providers do not charge in the same way)
- Other local providers can cross subsidise their costs through the regular contracts they have eg. transporting children to school; this option (of pursuing external contracts) is not open to the community transport service
- Prices charged by other providers look high in comparison with LDC charges; however, if taking account of the level of LDC subsidy in all the trips provided, the charges are more comparable. There may also be scope for negotiation with other providers regarding their charging regime
- Despite only charging £2 per trip, Burntwood Town Council's Ring and Ride Service attracted very few passengers; a clear need for the service was not demonstrated
- Having one member of paid staff is not sufficiently resilient; absences of this employee can be difficult to cover. The employee is obliged to spend time driving the minibuses which detracts from his ability to manage and develop the service
- If Cabinet decide to cease the service, steps should be taken to support and assist the employee in accordance with the council's redundancy policy
- Mitigation for the member groups would need to be considered on a case by case basis; short term grant funding would be one option to ease the transition

The Task Group were satisfied that the Terms of reference of the Group had been fully met.

Although not a palatable decision to make, the Task Group concluded that the service cannot continue in its present form, would need significant investment to be sustainable and therefore should cease, subject to steps being taken to support the top users of the service and the employee who manages the service through the period of transition.

It was noted that this matter would be considered by Cabinet on 6th September and the final report of the F4F Review will be provided to the full Community, Housing and Health O&S Committee at their 12th September meeting.

The Task Group agreed to have a follow up meeting in November to consider the impact of the cessation of the service and the necessary mitigation which was being explored with member groups (assuming that Cabinet makes the decision to cease the service).

Volunteer drivers were informed at a meeting on 26 August 2015 to let them know the outcome of the Review and its recommendations. Letters have also been sent to all member groups registered with the Community Transport scheme advising them that this report was to be considered by Cabinet.

Financial Implications	<p>The 2016/17 approved budget for the Community Transport Service is a net expenditure of £25,000 (excluding on costs). Stopping the service will realise savings.</p> <p>The main costs of stopping the service are redundancy cost and potential costs to mitigate impacts on users. Details of redundancy costs can be found in the confidential appendix.</p> <p>The current capital programme includes a sum of £90,000 to replace two of the three minibuses. If the service stops, this capital will be released for other projects.</p> <p>The existing Minibuses have an estimated value of £9,600.</p>
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Contribution to the Delivery of the Strategic Plan	The Community Transport Scheme supports the strategic priority of Healthy and Safe Communities by helping people to be active and continue to live independently and be involved in volunteering.
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Equality, Diversity and Human Rights Implications	An equality impact assessment has been carried out on the recommendations of the Review. This identified that there could be a negative impact on some groups with protected characteristics , namely older people, young people and people with disabilities. However if other community transport providers are able to meet the needs of these groups then the negative impact will be mitigated.
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Crime & Safety Issues	The Community Transport Scheme provides a service to a range of non-profit making groups, some of whom provide positive activities for those who have experienced domestic abuse.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Reputational risk to the council through adverse publicity	Through the development of actions to mitigate impacts on users	Green
B	Short term risk of service delivery failure pending closure of the service up to December 31 st (eg. through loss of drivers)	Communications and engagement with key stakeholders and close monitoring of actions to mitigate impacts on users	Green
C	Impact on Member Group activities	Develop and implement an action plan to mitigate impacts on users	Yellow
D			
E			

Background documents

Relevant web links