

**ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE – 03 JUNE 2021**

COMMUNITY TRANSPORT ANNUAL REPORT 2020/21

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of Report

1. The purpose of the report is to provide an annual update to the Committee on the implementation of the revised funding methodology for Community Transport. Grant amounts are detailed in Appendix A and patronage in Appendix B.

Policy Framework and Previous Decisions

2. Community Transport is provided as alternative passenger transport for residents with disabilities or restricted mobility which mean they cannot use conventional bus services and for residents in areas where conventional bus services are not available.
3. New funding levels for Community Transport grants were agreed by Cabinet at its meeting on 11 December 2015.

Background

4. There are Community Transport (CT) projects for each of the seven districts in Leicestershire, providing accessible public transport services. These projects are delivered in partnership with voluntary sector providers as part of a service agreement with the Council.
5. There are currently 13 such projects operating in Leicestershire covering the whole of the county as detailed in Appendix A delivering a combination of minibus and social car schemes.
6. Built into the 2014/15 Medium Term Financial Strategy (MTFS), was a saving from a Service Review of the Sustainable Transport Group to deliver £150,000 in 2015/16 and a further £150,000 in 2016/17. Part of this saving was identified as a £50,000 saving from Community Transport funding levels.

7. A review of the funding of Community Transport (CT) identified that the levels of funding varied across the county, having grown on an ad hoc basis. A consultation on the funding model was undertaken in summer 2015 and Cabinet agreed the funding model in December 2015. The funding model is based on the population served by each operator (33% of the total funding) and the passengers carried per annum (67% of the total funding). A rural operation weighting of 10% (top-sliced from the total funding) is shared amongst the five operators within the three districts with the highest number of rural super output areas. The model also requires operators to reduce their management costs to a maximum of 25% in 2016/17, 20% in 2017/18 and 15% from 2018/19 onwards.
8. A phased approach to changes with upper and lower funding limits was applied to ensure that in 2016/17, no one operator was more than 10% better off or 10% worse off, based on the funding allocation for the financial year 2014/15. In 2017/18, no operator should be more than 20% better or worse off based on the funding allocation for 2014/15. The figures have been adjusted to allow for the declining level of total grant funding in 2016/17 and 2017/18. It was planned to remove the upper and lower funding limits in 2019/20, so that grant funding would then reflect the reality of transport provision for each operator.

2020/21 Funding and Usage

9. The allocated budget for the financial year 2020/21 of £512,000 was paid to the operators for the provision of CT despite a reduction in usage due to Covid-19. The grant amounts are detailed in Appendix A, along with reported passenger usage figures from Jan 2016 to December 2020 in Appendix B. It should be noted that the grant has not had an inflationary increase in the last five years.
10. The impact of Covid-19 has led to a significant decrease in the number of passenger journeys provided in 2020. In line with Government guidance to urge full payments to bus operators the grants were maintained at 100% to sustain the CT providers during the Covid-19 period. Whilst some CT providers have had to suspend their transport provision many of the CT providers have provided essential services during this period such as food deliveries, prescription collections, assisting food banks, befriending services as well as assisting with transport for patients receiving their vaccinations.
11. Patronage figures are as detailed in Appendix B recorded for general passenger trips by CT and those specifically to attend appointments at a hospital (Section 256). The organisations provide trips by social car schemes or minibuses, three of the 13 organisations provide both. Trips have significantly declined with the actual figures being 69.88% down on the previous year for the 13 schemes in total. While in comparison health journeys over the same period have reduced by 67.83%.
12. The operators have continued to use Flexiroute software to record data and report in a consistent manner and this is helping to improve the quality of data the service is receiving. Due to Covid-19 the proposed internal audit wasn't carried out in

2020/21 but is proposed for 2021/22 to ensure that any concerns around consistency of the data and timely passenger journey recordings are met. The audit will focus on whether the journeys recorded are eligible journeys in relation to the purpose of the scheme and whether these have been recorded accurately. Journeys related to group bookings, bookings made for community groups and journeys provided for passengers outside of an operator's agreed area are not eligible journeys. The audit will check that the guide on best practice issued as part of the grant agreement in recording these figures is being used correctly.

13. The Clinical Commissioning Groups (CCG) provide £63,200 of Section 256 funding annually and have confirmed this contribution again for 2021/22. A review of Section 256 funding was underway in 2019 but we have not been made aware of the outcome by the CCG.
14. It is now considered that all Community Transport data is as accurate as it can be. Some of the providers have suggested that if the originally envisaged grants produced by the funding formula are fully implemented their reduction in funding would have a considerable impact on their continued operation and delivery of their Community Transport service. The allocations that have been in place since financial year 2018/19 will therefore be continued as detailed in Appendix A, as this has now been established over a period of time against the performance of each provider. This will be reviewed annually against the performance of each provider to ensure that baseline performance targets are achieved, and the grant continues to deliver best value from each provider.
15. The Grant Agreements sent to operators require the reporting of usage figures. Guidance on best practice in recording passenger figures was produced for operators to ensure that usage figures are being recorded correctly and accurately. Audits will be considered where the reports vary significantly from previous quarterly reports to ensure the grant is being used to best effect.
16. Operators must state their management costs as part of the Grant Agreement. This is reported alongside passenger usage figures on a quarterly basis and all but two of provider's management costs are between 15 and 16.5% which is at or close to the desired level. The other two vary from between 20% and 25% and these will be inspected to identify whether the cost is legitimate within the grant requirements.

Feedback from Operators and Passengers

17. Due to Covid-19 there have been little of the normal interaction through the Leicestershire Community Transport Federation meetings, however the major concerns remain:
 - a) the continued uncertainty regarding the Clinical Commissioning Group's (CCG's) funding for Section 256 (transport to hospital appointments).

- b) shortage of volunteer drivers to meet demand, intensified by through Covid-19.
 - c) decreasing CT grants in real terms against rising inflation, while fuel and other costs rise therefore threatening the sustainability of the CT's services.
 - d) continuing concerns about the methodology of CT grant funding and whether this is a fair method of dividing the grant amongst the CT operators.
 - e) the sector is not recognised by the Council in terms of the social value placed on the services provided by it and the actual cost this transport would cost the Council if delivered commercially.
18. Work continues with the CCG to place the health funding grant on a firmer agreement, but this is subject to the CCG review.
 19. The CT's continue to work hard in increasing the number of volunteers and this is seen as a priority and work undertaken regular to maintain delivery.
 20. The impact of Covid-19 on the CT providers is not yet known but it is expected that all those that are in receipt of the grant are continuing to operate or will start back in the near future. The longer-term impact, however, on the service is more difficult to estimate as the service relies heavily on volunteers. Funding of volunteer recruitment, driver training, fuel costs and DBS requirements continue to place increasing costs on the providers so future inflationary increases should be considered.
 21. The proposed future funding levels in Appendix A will provide CT's with future funding security whilst still ensuring best value is achieved from the grant and measured through quarterly reporting.
 22. During Covid-19 many of the Community Transport providers have diversified into food deliveries, prescription collections, assisting foodbanks and befriending services as well as helping to provide transport to the community for vaccines.

Health Journeys and CCG Funding

23. At the beginning of 2020/21, the CCGs provided £63,206 of Section 256 funding to the Council for the provision of transport to hospital appointments for Leicestershire residents who have difficulty in accessing conventional public transport. The funding amount provided by the CCGs has been unchanged for the last 5 years.
24. Whilst the number of journeys for health appointments has significantly reduced during Covid-19, many of the CT providers have continued to provide services related to the health & wellbeing of the community, including essential health appointments and transport to vaccination centres.
25. Section 256 funding grant of £63,206 has been agreed for 2021/22. The CCGs had indicated they were to undertake a comprehensive review of all Section 75

and 256 grants of which the grant for Community Transport to medical appointments is one, but no information has been supplied of the outcome of this. This could affect funding in future years.

Dial-a-Ride

26. The Council are charged a monthly fee from Leicester City Council Passenger Transport Service (PTS) team to deliver a Dial-a-ride service for the Council. The agreement currently states the Council pay 16% of all the Dial-a-ride journeys undertaken, this however is an outdated calculation with the actual percentage closer to between 3-4%. The City Council has recently withdrawn from Service Level Agreements with the County Council for the delivery of Concessionary Travel and local bus services. This means the County Council now have an opportunity to review how these Dial-a-ride services are delivered, which could be via the Community Transport operators. Further work will be required to determine if the operators have the necessary capacity to deliver this service.

Legal Implications

27. A Section 75 agreement is made under section 75 of National Health Services Act 2006 between a local authority and CCGs, NHS trusts or NHS foundation trusts in England, which can include arrangements for pooling resources and delegating certain NHS and local authority health related functions to the other partner(s) if it would lead to an improvement in the way those functions are exercised. Additionally, Section 256 of the National Health Act allows CCGs to enter into arrangements with local authorities to carry out activities with health benefits. Such arrangements are known as section 256 agreements. The local CCGs both enter section 256 agreements with the Council to provide transport to hospital appointments for Leicestershire residents who have difficulty in accessing conventional public transport.

Consultation

28. The Director of Law and Governance has been consulted on this report.

Conclusions

29. The full impact of Covid-19 on the Community Transport providers is not yet known however it is expected that all those that continue to receive the grant are continuing to operate or will start back operation in the near future. The longer-term impact on the service is more difficult to forecast given the reliance on volunteer workforce.
30. In summary, the review of funding for Community Transport providers for 2020 confirms that in this exceptional year the following has been achieved:

- a) no negative implications for service users or providers have been reported, acknowledging a far reduced passenger level due to the pandemic.
 - b) while CT journeys both general and for health reasons have significantly reduced during the past year due to the implications of Covid-19, the operators have provided alternative essential services instead highlighting the valuable role they play in the community.
 - c) CT services have continued to be provided despite no inflationary increase to the grant funding for five years meaning grants decreasing in real terms. This also demonstrates greater efficiencies in delivering these services and therefore increasing value for money from this sector.
31. To continue to support this transport provision for this sector the following will be undertaken:
- a) discussions with the CCG to establish a longer-term grant agreement for health journeys.
 - b) review the level of funding as the grant has remained unchanged for five years and is reducing in real teams.
 - c) examine further use of CT operators for delivery of Dial-a-Ride services for County residents.
 - d) Undertake during 2021/22 an internal audit to ensure that any concerns around consistency of data and timely passenger journey recordings are met.

Recommendation

32. The Environment and Transport Overview and Scrutiny Committee is asked to note the content of this report.

Officers to Contact.

Ann Carruthers, Director of Environment and Transport

Telephone: (0116) 305 7000

Email: Ann.Carruthers@leics.gov.uk

Pat Clarke, Assistant Director Highways and Transport Operations

Telephone: (0116) 305 4244

E-mail: Pat.Clarke@leics.gov.uk

Background Papers

8 November 2018 - Environment and Transport Overview and Scrutiny Committee – 'Update on the Implementation of the Revised Funding Methodology for Community Transport Provision'

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1044&MId=5330&Ver=4>

11 December 2015 – Cabinet – ‘Outcome of Consultation on Community Transport Funding’ <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4233&Ver=4>

9 July 2015 - Cabinet – ‘Community Transport’
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4438&Ver=4>

Relevant Impact Assessments

Equality and Human Rights Implications

An Equality and Human Rights Impact Assessment was attached to the Cabinet report in December 2016 at Appendix E –

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4608&Ver=4>

Appendices

Appendix A – Grant Amounts 2016-2022

Appendix B - Passenger usage 2016-2020

This page is intentionally left blank