

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Gwasanaethau Bysiau a Thrafnidiaeth Gymunedol yng Nghymru	Bus and Community Transport Services in Wales
BCT 37	BCT 37
Cymdeithas Cludiant Cymunedol	Community Transport Association

Consultation questions

Question 1 – how would you describe the current condition of the bus and community transport sectors in Wales?

The Community Transport Association (CTA) is the national membership association for community transport organisations in England, Scotland, Wales and Northern Ireland. CTA Wales works to support, advocate and promote the community transport sector in Wales. In preparation for this response we conducted a consultation exercise with our members through our community transport forum meetings, committee meeting and through the receipt of written responses. This inquiry response focuses primarily on the community transport sector however we have commented on bus services where we feel appropriate.

The inquiry comes at a time of uncertainty for the community transport sector, partly due to changes in the way transport is funded in Wales, but also due to the ongoing challenges faced by the community transport sector generally. In order to gain a deeper understanding of the current condition of the community transport sector this inquiry response will outline the challenges faced by the sector in turn.

In summary:

- Surveys suggest a growing demand for community transport services.
- Responding to increasing demand is restricted by:
 - Some legislative constraints of permit transport
 - Perception of decision makers that community transport is a low cost or no cost alternative

- Short term funding arrangements
- Cuts in public funding
- Increasing use of procurement for small scale services
- Issues affecting the number of volunteers

The community transport sector continues to address transport barriers faced by some of the most vulnerable people in society. The sector continually seeks to develop and maintain new services that strive to support access to public services, employment and empower people to pursue happy and independent lives. Community transport has always succeeded in finding innovative solutions to transport issues within the regulatory frameworks that govern the sector. Nonetheless, CTA is aware of increasing pressures from multiple directions that are undoubtedly eroding the ability of the sector to adapt and respond in the face of increasing demand for its services.

1. Community transport regulation

Community transport is regulated differently from conventional bus services. Community transport, excluding community car schemes, is principally run under section 19 or 22 permits. Under section 19 and section 22 of the Transport Act 1985 organisations who operate in GB **without a view to profit** can obtain a permit exempting them from the need to hold a PSV or PHV operator's licence when providing transport for a charge. Under specified conditions, the drivers of certain vehicles are exempt from the need to have PCV entitlement on their driving licence.

An example of a community transport service which is commonly delivered in Wales is a 'Door-to-door dial-a-ride service' run under section 19. These are services for individuals who can't, or find it difficult to, use or access mainstream transport services. People are usually picked up from their homes and dropped off at their destination. Section 19 permits may be granted to organisations who operate vehicles **without a view to profit** to transport their members or people whom the organisation exists to help. Service users have to be members of the community transport organisation to use section 19 services. In addition, many community transport organisations provide contracted services under S19 legislation to public service commissioners.

CTA's State of the Sector Wales report (2014)¹ demonstrated that the sector has experienced an increase in the number of community bus services run under a section 22 permit. This community bus service is a demand responsive or fixed route transport service, available to the public, and therefore passengers are not required to be a member of the organisation. Crucially a vehicle being used under a permit **must not be used with a view to profit nor incidentally to an activity which is itself carried on for profit**. This restriction prevents community transport organisations for entering into contractual relationships with profit making organisations or to undertake any activity which could result in that commercial organisation making a profit. One organisation commented *"There is a constant demand on the organisation to become self-sufficient and self-financing, and to take an entrepreneurial attitude towards its activities. We have followed this avenue but have found that the regulations and red tape are stifling our efforts"*.

The non-profit aspect of section 19 and 22 permits does create a barrier to achieving financial sustainability and as a result community transport organisations are very much reliant on funding/transport subsidies. It is quite often wrongly assumed that as some community transport services are volunteer led they do not require funding. One organisation commented *"The idea that we can give a service on the cheap because we use volunteers is misleading. Our organisation has organisation costs, and salaries to pay as well as paying expenses to our volunteers"*. It is true that many aspects of the business model for many community transport operations (for example, high levels of volunteer involvement - people freely giving their time and sometimes their own vehicles for the benefit of others, no imperative to pay a dividend to shareholders) means that they can offer good value per passenger journey, often doing more than they are paid to do. In addition, community transport organisation's providing services under contract often employ paid drivers due to the need for continuity so overheads are not necessarily less than commercial companies, but the expectation is very different. However it is important to acknowledge that whilst community transport can sometimes provide cheaper alternative services these cannot be operated without some form of investment. In some circumstances the cost per trip can be higher than in mainstream public transport, owing to the personalised and specialist nature of community transport services. Additionally quite often charging passengers for all the costs would put the services beyond the reach of the very individuals and groups that community transport exists to serve.

¹ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

Community transport is particularly well-placed to step in where conventional services are not viable or available and can use or adapt any passenger-carrying vehicle to do exceptional things. However the lack of understanding of the constraints causes particular difficulties for the community transport sector. Many community transport organisations would welcome the opportunity to support public transport as a means of improving viability, such as running feeder services as suggested by the Bus Policy Advisory Group². Although any proposals would need to be carefully planned, legally compliant and developed in partnership with the community transport sector because this has potential to infringe on the legislation preventing CT from providing services incidental to profit Also as the demand for 'traditional' community transport services is increasing (see question two) but many organisations do not have the capacity to develop new services, especially not without increased funding. In order for the community transport sector to play an increased role in the transport system yet remain within the legislative boundaries of permit based transport, it would require additional and sustainable revenue and capital funding.

The sector has raised concerns that there have been unrealistic expectations placed on them. CTA Wales has established that some community transport organisations feel there is a widespread assumption that their services will grow to fill the gaps that commercial providers leave when their services are withdrawn. However, whilst filling transport gaps is key function for community transport organisations, the current level of resource limitations often prohibit them from plugging gaps left by withdrawal of commercial operators. The situation is further compounded by the time frames imposed where community transport is often turned to as the last resort rather than looking to community transport solutions at the outset. Any service which a commercial operator has been unable to make work is unlikely to be viable without some subsidy and it is unreasonable to expose small charities to significant commercial risk. One response states *"Community Transport should also be looked at as a necessary part of the transport infrastructure. It's a necessity to fulfil the gaps that cannot be covered by commercial operators, however, this is often looked at as community transport being 'the cheap alternative' rather than part of the whole transport system"*.

The community transport sector is highly diverse and whilst some operators can deliver on larger scale transport needs, it is important

² <http://gov.wales/docs/det/report/140717-review-bus-policy-advisory-group.pdf>

to recognise that some of the smaller community transport organisations deliver very specific niche services. Pressure on these smaller organisations to develop into larger scale transport services needs to be avoided, or it could undermine the small but vital transport links that so many isolated and vulnerable people depend upon. One organisation stated “*Commercial services just do not provide the sort of service we provide to the sector of the population who need help with transport. Most of our services are bespoke services helping those with concessionary bus passes actually access suitable transport so that they can access health services, shopping, etc*”.

2. Funding

The current economic climate and the cuts to public expenditure have had a significant impact on community transport organisations. The community transport sector is not alone in feeling the effects of the current climate but it remains one of its most significant and complex challenges. Despite the increase in demand (see question 2) there has been a significant decrease in the funding arrangements for community transport resulting in growing unmet needs with associated risks.

(i) Welsh Government funding

The Welsh Government funding for community transport has experienced considerable change over the last five years. In January 2014, the Welsh Government introduced the Bus Services Support Grant (BSSG) for Local Authorities to administer. Disappointingly, the Welsh Government reduced the minimum threshold to be allocated to community to 5%; however its guidance “*strongly recommends that a figure of 10% is achieved*”. In preparation for the inquiry CTA Wales wrote to every local authority to ask for information on funding including the percentage of the BSSG allocation to community transport. To date not all local authorities have responded but what has been apparent is that the allocations vary considerably ranging from the minimum 5% to the maximum 10%. A 10% allocation does not necessarily mean that the community transport organisations in a local authority area will get a better deal as it can also depend on how many organisations receive the allocation. For example in the more

rural areas such as Powys where there is a greater prevalence of community transport a 10% allocation gets dissipated across a considerably larger number of community transport organisations.

Despite local authorities continuing to work regionally there is inconsistency in administration and management of BSSG across the regions. Some regions base payments on live mileage i.e. Kilometre support and other regions allocate funding on a grant basis. The interpretation of the BSSG guidelines on what can be funded is also inconsistent. Some local authorities do not pay for any 'dead mileage' i.e. the distance before passenger pick-up which causes particular difficulties for community transport organisations in rural areas.

The BSSG is currently awarded on a yearly basis and where budgetary decisions have not been finalised until well into the financial year, some community transport organisations have been forced to drain their financial reserves. The short-term funding arrangement is not only preventing organisations from ensuring charitable financial prudence but also prohibits forward planning and the achievement of long-term sustainability. The uncertainty and delays with BSSG make it impossible for organisations to achieve effective strategic or business planning, impacting on delivery and strategic development within the sector. Most importantly for the sector, short term funding inhibits organisations from making medium or long term commitments to their users and can restrict the ability to recruit, retain and invest in the best staff and volunteers. The Bus Policy Advisory Group report (2014)³ also recommended longer-term funding and better governance arrangements.

The continual changes to the funding arrangements for community transport and the current BSSG funding arrangements means that for some community transport organisations there is an element of 'pot-luck'. When allocating the funding there is very little consideration of how the sector can work together with local authorities and Welsh Government (in terms of strategic planning) which leaves little opportunity to foster innovation. Most disappointingly from a third sector perspective, decisions are often made without consultation of the community transport organisations or the communities

³ <http://gov.wales/docs/det/report/140717-review-bus-policy-advisory-group.pdf>

themselves, to ascertain where there is the most need.

As there are no capital funds available the sector is facing a considerable challenge in terms of vehicle replacement. CTA's State of the Sector Wales report (2014)⁴ found that 17.5% of accessible minibuses are over 7 years old and a further 37% are between 5 and 7 years old. This presents financial challenges for both maintenance and eventual replacement of vehicles and is likely to lead to many community transport organisations having to reduce their services.

The end of the Community Transport Concessionary Fares Initiative (CTCFI), which ceased in April 2013 after eight years, is still having an impact on the sector. The CTCFI provided stability to the sector and CTA Wales submitted a petition, with nearly 5k signatories, to the National Assembly in 2012 for its continuation⁵. The CTCFI also cultivated an expectation among passengers regarding the use of bus passes on community transport services so when the scheme ended, it forced some organisations to change their services from being run on s.19 permit to s.22 permit. These changes have seriously affected financial viability of some organisations. One organisation commented "*[There needs to be] recognition that CT services delivering on-demand routes on Section 22 cannot operate the service without financial support because they cannot always recuperate costs through paid fares and concessionary fares*".

For some organisations, the move from delivering section 19 services to section 22 has led to financial instability. This financial instability has mainly arisen as a result of the low reimbursement rates for the concessionary fare (despite the fact they should be no better or no worse off as a result of participating in a concessionary scheme). Community transport organisations are further disadvantaged as they are often required to remove seats to accommodate wheelchairs but can only claim reimbursement for the one passenger. Also one organisation reported that the financial viability of the organisation had been affected by the move from section 19 to section 22 services as they had experienced reductions in membership fees as a result (service users of section 22 are not required to be members). It must therefore be recognised that community transport organisations

⁴ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

⁵ <http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=3292&Opt=0>

delivering on-demand routes on Section 22 cannot operate the service without financial support as they cannot always recuperate costs through paid fares and concessionary fares.

One organisation has reported that their section 22 service proved popular with passengers travelling for health appointments with an average of 190 health related passengers per month accounting for 25% of all passengers carried. The average fare is £3 per passenger which is calculated on a not for profit in accordance with permit based transport, however between 90-95% passengers use their concessionary bus pass on this service. With a current reimbursement rate of 68% for concessionary fares, this means that they lose 96p per passenger which multiplied by the number of passengers equates to a financial deficit of up to £172 per month and £2073 per year for just one service. The situation is then further compounded because the permit based transport does not allow them to run profitable services in order to cover such losses.

As the principle motive of community transport organisations is to address local need, rather than make a profit, they often have a much higher threshold when deciding whether or when to stop running a service. Some organisations who were 'encouraged' to go down the section 22 route have been using charitable reserves to keep the services going.

(ii) Local Authority funding

Some community transport organisations also receive discretionary financial and/or in-kind support from local authorities. However as local authorities face increasingly difficult decisions on spending priorities, community transport funding has come under significant pressure. Most community transport organisations across Wales have seen their funding from their local authority funding reduced or cut completely. Local authorities who have tried to support community transport in other ways through vehicle sharing, have indicated that they will not be in a position to replace vehicles once the current leases expire.

(3) Procurement and commissioning

Community transport services are now increasingly forced into tendering arrangements to secure contracts for additional work, such as school transport to supplement their finances. CTA's State of the Sector Wales report (2014)⁶ showed that there has been a significant area of growth in non-emergency patient transport. However it must be recognised that smaller community transport organisations, providing valuable local services, may well not want to expand into additional contracted activities. Some community transport organisations feel that they are being pressured into tendering for services due to changes in the way the sector is funded exposing them to significant financial risk. *"There is a balancing act between taking on regular work (school, social services transport) to gain a regular income and remaining accessible at all times for those who cannot access regular public transport"*. Services which were previously grant funded e.g. Dial-A-Ride, are now included in procurement exercises despite the fact that by their very nature, they aren't commercially viable and such tender exercises invariably result in market failure.

There is a willingness and understanding on the part of community transport organisations regarding the need for change, however community transport organisations often find the procurement and commissioning process impossible to navigate, as it is unclear, unduly complex or introduces significant barriers to entry through the eligibility requirements. One organisation stated *"We avoid procurement opportunities as we don't have the expertise to deal with the complex issues involved and sometimes those offering opportunities are not aware of what CT has to offer"*.

Additionally, there appears to be a high degree of variability in the receptiveness of public bodies to consider social value ahead of procurement. The feedback from community transport organisations supports this assertion as they state that provisions for social value are currently not evident in the procurement and commissioning process. Another difficulty is that procurement officers do not necessarily have an understanding of transport and will not understand the uniqueness of community transport. Often requirements are onerous and unnecessarily e.g. requiring drivers to have a PCV entitlement. CTA Wales would like to see the improved

⁶ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

utilisation of Community Benefit Clauses and would encourage public sector bodies to include Community Benefit Clauses in tender documents.

(4) The European Dimension

The effects of EU driver licensing harmonisation, which took effect in 1997, mean that an increasing number of drivers who first passed a driving test from 1997 onwards are restricted in the vehicles they can drive and the services on which they are used. Since incorporation of the EC Directive in 1997, the pool of available 'existing' drivers has gradually decreased and the community transport sector has increasingly struggled to secure new volunteers and to engage paid drivers. This problem is going to get progressively worse especially as organisations do not have the funding for D1 driver training.

The move away from grant funding to procurement has further added to the concerns of commercial operators that community transport is direct competing with them for work and has an unfair competitive advantage. In response to complaints raised by commercial operators the EU Commission has started infraction proceedings against the UK Government in relation to the permit regime. The permit system has worked for over 30 years, serving both community transport organisations and passengers. The community transport sector is currently facing challenges which threaten its very existence. Most recently the European Commission found in favour of local authorities with regards to complaints made against them that claimed breach of state aid rules. However despite the favourable case law, and that the fact the infraction proceedings are still outstanding, local authorities are erroneously erring on the side of caution when it comes to engaging in contracts or funding for community transport.

(5) Volunteer recruitment

Given the reliance on volunteers, it is worrying that organisations report that one of their biggest challenges is the recruitment and retention of new volunteers. Comments from organisations included: *"Age and health causes our volunteers to retire; at present we are not getting as many joining as leaving", "Our main concern is the availability of volunteers in the future, as far less individuals of retiring age are coming forward to assist volunteer organisations*

such as ours” and “*It appears that prospective retirees may have to continue working*”. Another issue highlighted above is that volunteers who passed their driving test on or after 1 January 1997 are restricted in some circumstances in their ability to drive 9-16-passenger-seat vehicles.

Volunteer recruitment needs to be prioritised as it is likely to have a huge impact on delivery in the longer term. Organisations are also experiencing difficulties recruiting charitable trustees who are essential to ensure good governance. Community transport organisations also need to have the capacity to support and supervise volunteers and be able to offer personal development opportunities. Community transport is often said to be a cost-effective means of delivering transport because of its volunteer workforce. However, adequate funding needs to be in place to ensure that volunteers are rewarded for their efforts and are afforded a high-quality experience. Volunteers also need to be trained to ensure that the sector meets CTA’s performance quality standards e.g. MiDAS.

Question 2 – why do you think the number of bus services and the number of bus passengers is declining in Wales?

Please note response is in relation to the community transport sector.

In summary:

- Demand for most community transport services is growing not declining (except for group hire services).
- Resources and funding is a limiting factor in responding to growing demand.

CTA is pleased to report that current evidence suggests the number of passengers using community transport is actually increasing. Whilst the journeys community transport delivers account for a small proportion of the total passenger journeys made every year by the public, their significance in improving the lives of the people who use these services is undeniable. The CTA State of the Sector report for Wales 2014⁷ demonstrated that there has been an increase in range of services provided by community transport organisations. Additionally there has been a 20% increase in the membership of community transport organisations since austerity measures were

⁷ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

introduced in 2010 which also further demonstrates the increased need and demand for services and the correlation between reduced public service investment and demand for community transport. Membership increases are an important indicator of increased demand as s.19 permit regulations demand that service users must be members of the organisation in order to benefit from services run with a s.19 permit. The number of passenger journeys also increased in 2013 and totalled 2 million, with a total journey mileage of approximately 6 million miles.

As previously mentioned above community transport organisations have also been under financial pressure to secure contracted work in order to ensure the financial sustainability of their organisation.

“There has been a significant increase in the demand for community transport over the last two years especially in transport for the elderly and for young people. This is related to the fact that in these two cases there is usually no car transport and access to bus routes is often difficult or not available in these rural areas. The number of elderly people is increasing and even though they may live only 1 mile from the bus stop this is often impossible to achieve if you have difficulty in walking”.

The majority of the consultation responses also supported the findings of the CTA’s State of Sector Wales report (2014)⁸ which indicated an increase in demand for services. The only area which has witnessed a decrease is ‘group transport’ or ‘group hire’ as less community organisations, or their members, have the money or volunteers to do social activities.

As a result of the rising demand for both traditional services, and the pressure for community transport organisations to take on additional contracts, many organisations feel their capacity is stretched to their limit. There is likely to be a further increase in demand for services due to the ageing population and the poorer health record of people living in Wales and yet there is an ever reducing income. Against the backdrop of increased demand as a sector we recognise that we also need to find the time and capacity to work better in collaboration, support an integrated transport system and manage the unrealistic

⁸ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

pressures to replace conventional services.

Where there has been a reduction in community transport services this has been predominately due to the reductions in revenue funding and capital (some organisations have reduced services as they have been unable to replace vehicles). As mentioned above there is a much higher threshold for community transport organisations when deciding whether and when to stop running a service. Some organisations have been using charitable reserves to keep the services going. This finding is striking as essentially some key public transport services are being propped up using charitable funds. However one organisation stated that despite the popularity of their section 22 service, it is financially unsustainable and will be withdrawing it shortly.

Question 3 – what do you think is the social, economic and environmental impact of recent changes in bus and community transport service levels?

In summary:

- Community Transport supports the more marginalised and disadvantaged in society.
- Reduction in commercial services often leads to increasing demands on community transport.
- Cuts to community transport therefore has a significantly greater socio-economic impact due to the characteristics of the people supported by these services.
- Environmental impacts are negative through creating circumstances that increase dependence on cars and reduced ability of community transport to invest in cleaner, more fuel efficient vehicles

The social and economic impact of the changes in bus and community transport levels has been summed up in a report by Sustrans (2012) who states that *“The rising cost of transport and the inadequacy of our public transport system means people feel excluded and isolated, unable to access opportunities, from jobs to healthcare, that many take for granted”*.⁹ Since the Sustrans report in 2012 there have been further cuts to bus services which is having a profound impact on people living in both urban and rural areas of Wales.

⁹ http://www.sustrans.org.uk/sites/default/files/images/files/Access%20Denied_eng.pdf

Many third sector organisations assert there has been a disproportionate effect on the lives of some groups of people as a result of decisions to cut or reduce bus and community transport funding across Wales. Many third sector organisations have presented examples of the impact of the cuts to bus and community transport services on the health and wellbeing of people with protected characteristics.

Our Wales State of the Sector report (2014) reported that 84% of the organisations who responded are providing services for disabled people¹⁰. One organisation commented *“There is poor provision of reliable safe transport for the disabled”*. For many disabled people community transport is a lifeline and if it was no longer available this would have a huge detrimental impact on their lives, including on their physical and mental health and wellbeing. Decision makers need to have a better appreciation of how and why many people are unable to access public transport e.g. difficulty using public transport due to issues with reaching a bus stop, inaccessible vehicles, lack of information etc. Some wheelchair users feel unsafe on public transport as their chairs are not secured and others are simply unable to use public transport as they are severely disabled. Only one wheelchair user can travel on a bus at a time which prevents people from travelling together. Put simply the quality of life of many disabled people would be seriously affected without community transport as they would be unable to access key amenities and visit friends and relatives. Social exclusion can have a huge impact on a person’s health and wellbeing but health can also be affected by the inability to access GP surgeries and hospitals. One of our third sector partners, Guide Dogs Cymru, has recently raised concerns that visually impaired people in Swansea, Cardiff and Newport, have not

¹⁰ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

been able to access their GP's surgery, and other essential services due to cuts to bus services.

Our Wales State of the Sector report (2014) reported that 94% of community transport organisations deliver services for older people¹¹. A 2013 report by the RVS found that community transport schemes are of vital importance where the public transport system does not fully serve the needs of older people in the area¹². This assertion is supported by the Older People's Commissioner for Wales 2014 in her report on 'The Importance and Impact of Community Services within Wales'¹³. This report emphasises that bus and community transport services are crucial to the maintenance of public health, inclusion in society and the prevention agenda.¹⁴ Furthermore the Older People's Commissioner for Wales emphasises the importance of engaging and consulting with older people before changes or cuts to bus services are made in the following reports 'Best Practice Guidance for Engagement and Consultation with Older People on Changes to Community Services in Wales'¹⁵, and 'Effective Engagement with Local Authorities: Toolkit for Older People'¹⁶. Another report by Age Cymru (2013) highlights that the impact of poor bus services on older people is greater because of the prevalence of disability and impairments

¹¹ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

¹²

<https://www.royalvoluntaryservice.org.uk/Uploads/Documents/Reports%20and%20Reviews/Wales%20transport%20report.pdf>

¹³ http://www.olderpeoplewales.com/en/Publications/pub-story/14-02-25/The_Importance_and_Impact_of_Community_Services_within_Wales.aspx

¹⁴ http://www.olderpeoplewales.com/Libraries/Uploads/The_Importance_and_Impact_of_Community_Services_within_Wales.sflb.ashx

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http://www.olderpeoplewales.com/Libraries/Uploads/The_Importance_and_Impact_of_Community_Services_within_Wales.sflb.ashx

¹⁶ http://www.olderpeoplewales.com/en/Publications/pub-story/14-07-01/Effective_Engagement_with_Local_Authorities_Toolkit_for_Older_People.aspx

among older age groups¹⁷.

A good public transport system is necessary to improve the economy of a country and to actively promote equality of opportunity. Many people are unable to access employment and education opportunities because of lack of transport. A report by Sustrans (2012)¹⁸ highlights that two out of five jobseekers say lack of transport is a barrier to getting a job and for young people, inaccessibility of work opportunities is cited as the most common obstacle to getting employment. CTA Wales often receives calls from the general public looking for transport solutions to enable them to commute to work. The main difficulties seem to arise if they are required to work outside normal working hours and on weekends. The community transport sector in Wales has been developing new initiatives to help young people to access employment and education. There are now three 'wheels to work' schemes in Pembrokeshire, Bridgend and a new initiative in Swansea. Recently a feasibility study was undertaken which highlighted the potential of a collaborative project across a number of local authorities regions.

Community transport makes an important contribution to the prevention agenda. If community transport services were to reduce this would have a direct impact on statutory budgets. Community transport alleviates significant pressures on health and social care services through reducing public health risks such as loneliness and isolation. One organisation points out that *"Some people using our services don't see anyone else during the week till their next journey on community transport. Our services are bespoke services operating in areas where normal public transport just can't get"*. The dangers of

¹⁷ <http://www.ageuk.org.uk/PageFiles/37166/Buses%20-%20a%20lifeline%20for%20older%20people.pdf?dtrk=true>

¹⁸ http://www.sustrans.org.uk/sites/default/files/images/files/Access%20Denied_eng.pdf

loneliness and social exclusion cannot be underestimated and can result in a whole range of physical and mental health issues. Community transport services provides a personalised level of service, often enabling individuals to maintain their independence and remain living at home for longer, resulting in less intensive and costly health or social care interventions. It also worth reiterating that the only area where the sector has experienced a decrease in demand has been for group hire as many groups are no longer in a position to run social excursions or activities and this in turn will likely impact on health and wellbeing of those members.

The environmental impact of reducing bus and community transport services is significant. With fewer bus and community transport options people have no choice but to seek private transport, if available. This results in increased car journeys with increased traffic, poorer local air quality and increased car emissions. The provision of bus and community transport services helps reduce environmental impacts and more must be done to maintain this provision as well as encourage more people to use public transport.

The lack of capital funds for vehicle replacement for the community transport sector has an environmental dimension given that many community transport organisations have to rely on older, less efficient vehicles. One organisation commented *“In times like these, when everyone is being urged to become mindful of the need to protect the climate, we still have short sighted policies preventing new technological advances and greater fuel efficiency from being supported by CT operators”*.

The Welsh Government must address the social, economic and environmental impact of reducing bus and community transport levels in Wales. These impacts are identified in the long-term outcomes in the draft National Transport Plan, for example improving access to healthcare (social), improving access to employment (economic), and

reducing the contribution of transport to air pollution and other harmful emissions (environmental)¹⁹. Similarly the social, economic and environmental impacts will need to be addressed by the Welsh Government if they are to meet seven national wellbeing goals within the Wellbeing of Future Generations (Wales) Act.

Question 4 – what do you think the Welsh Government should do to support bus and community transport in Wales?

In summary:

- Development of a National Community Transport strategy
- Review of the concessionary fare reimbursement rates for community transport
- Increased potential for collaborative, cross boundary working
- Capital investment for new, more efficient vehicles
- Review of the BSSG and a move towards a more stable, longer term funding arrangement
- Put transport planning at the centre of all major developments and ensure community transport is considered early on as part of an integrated transport provision.
- Help defend the UK permit regime for community transport

Community transport is a unique asset for the United Kingdom; unrepeated and unrivalled anywhere else in the world. It needs to be cherished and protected so it can continue to make a difference in every community across the country, but it also needs to be enabled to continue to develop and modernise in a way that keeps and enhances the confidence of policy-makers, regulators, commissioners and passengers.

CTA Wales has recommended the Welsh Government consider the development of an all-Wales strategy for community transport. An all-Wales strategy would be able to address the inconsistencies across the country in how community transport is supported and valued by Local Authorities. Many community transport organisations have expressed concerns that the Welsh Government no longer values the contribution that the sector makes and therefore a strategy which sets out a vision for the role of the sector as an integral element of the public transport network would go some way to address these concerns. One organisation states *“Suffice to say, there is a need for greater financial support of community transport provision as it is very obvious to those involved that it is looked upon as a second class, cinderella service”*. The CTA State of the Sector Wales report²⁰ found that in 2013 community transport was responsible for 2 million passenger journeys covering over 6 million miles. It would be appropriate to give greater recognition in a strategy to the current

¹⁹ <http://gov.wales/docs/det/consultation/ntp/141210-ntp-draft-en.pdf>

²⁰ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

and future role of this much needed form of transport in Wales.

A strategy would also be beneficial as it would offer an opportunity to examine the capacity of the community transport organisations in the sector in order to provide local authorities with a better understanding of its needs and experiences. An appropriate level of understanding of the challenges and capabilities of community transport among decision makers is needed to solve longer term problems.

Furthermore we would argue that a CT strategy would:-

- Foster increased collaborative working across boundaries;
- Support the sector to meet the performance quality standards;
- Enable the provision of adequate and effective information and publicity on community transport;
- Ensure funding is fair and equitable across the country and ensure that the approach to funding is consistent;
- Eliminate geographical inequity in relation to both access to, and the cost of, services for passengers;
- Support planned and sustained growth.

This recommendation is in part supported by the Bus Policy Advisory Group (2014) ²¹ as their key recommendation related to ensuring that there is a consistent pan-Wales approach to policy, standards and cross-boundary and cross-operator issues. They also recommend that in the absence of regional transport consortia, the establishment of network partnerships to ensure that key partners are working together²². CTA Wales would welcome the inclusion in such partnerships which improve the understanding of the sector. CTA Wales would welcome engaging with the work of the Bus Policy Advisory Group to achieve better integration with the conventional public transport network but we would note that more work needs to be done to understand the barriers to integration and how these challenges can be overcome.

CTA Wales welcomed the Welsh Government pilot projects in the Vale of Glamorgan and Ceredigion which involved community transport, however we were disappointed not to be involved in their planning. Greater lead in time in the future would enable CTA Wales to work

²¹ <http://gov.wales/docs/det/report/140717-review-bus-policy-advisory-group.pdf>

²² <http://gov.wales/docs/det/report/140717-review-bus-policy-advisory-group.pdf>

with community transport organisations to help inform the planning. A longer term approach needs to be informed by the experiences of the sector as a whole and as one organisation observed *“More pilot projects should be funded to examine new ways of travelling – if we carry on doing what we’ve always done we’ll carry on getting what we’ve always had!”*

The development of a strategy for community transport would require a funding review of the sector to examine the fairness of current funding arrangements. This review should include a review of the concessionary reimbursement rate for community transport organisations (see above for details). CTA Wales would like the Welsh Government consider a capital grant to fund vehicle replacement (similar to the schemes in Scotland, England and the one being proposed in Northern Ireland). The capital grant could also be linked with the expert steering group on low carbon vehicles.

The Bus Service Support Grant (BSSG) also requires review which should also consider the inconsistencies as detailed above, as well as consideration of funding on an all-Wales basis using a needs based approach to funding community transport. One community transport organisation suggested *“Perhaps give the money direct to the CT organisations rather than through local authorities. I have no idea as to how this would work but cutting out the middle man would save money which would be better spent on CT directly”*. Furthermore CTA Wales would recommend a reinstatement of a 10% minimum threshold for BSSG. Most importantly the Welsh Government should consider putting in place a longer term funding arrangement for community transport which will ensure its compliance with the Code of Practice for Funding the Third Sector²³.

As mentioned above further investment is needed to develop the community transport sector to enable it to keep up with the increased demand on its services. The CTA State of the Sector Wales report²⁴ highlighted that the demand for community transport services had significantly increased in 2013 (see question two). CTA Wales is extremely grateful for the continued support from the Welsh Government but its capacity to support the sector is limited. Additional funding would be needed to support the development of new schemes as well as capacity build organisations who are seeking to expand their services. One key area which requires funding is for training, not only to ensure that the sector can continue to provide good quality services to a high standard, but to also mitigate against the problem of driver recruitment caused by the licensing restrictions.

²³ <http://gov.wales/docs/dsjlg/publications/comm/140130-third-sector-scheme-en.pdf>

²⁴ <http://www.ctauk.org/Userfiles/PDFFlipper/State-Of-The-Sector-Wales-English/#/13>

Welsh Government has role to play in ensuring transport is considered across all departments and particularly in health. CTA Wales has been extremely pleased to have been involved in the NEPTS Transformation project. We are confident that going forward we can work with WAST to ensure that wherever possible community transport plays a role in delivery. However we are still concerned that community transport is struggling to cope with the demand for services to access both primary and secondary healthcare.

CTA Wales is acutely aware that many of the patients who access community transport would otherwise become eligible for NEPTS under the 'social need' category. Therefore without the community transport provision the costs to public purse would be considerable. Some Health Boards recognise the contribution community transport makes and either award small grants or contribute to specific services. However the position is patchy and in many areas community transport is delivering transport to health services without any financial contribution from Health Boards. The NEPTS Transformation Board will be submitting its business case to Welsh Government shortly. CTA Wales recommends that as part of the implementation of the new delivery model the NEPTS Commissioner and WAST works collaboratively with local authorities and community transport to look at innovative ways of integrated transport services and addressing the 'social need' category of patients.

We would also recommend that the Welsh Government works with CTA Wales to consider what action can be undertaken to mitigate against the future impact on the sector of the increases in the minimum wage, pension changes, lack of volunteers and driving licences restrictions. CTA Wales appreciates the funding pressures and budget restrictions placed upon the Welsh Government, however bus and community transport services must be prioritised. CTA Wales would also encourage the Welsh Government to continue to work proactively with Department of Transport and CTA to do everything in its power to support and defend the permit regime.

Question 5 – what do you think Welsh local authorities should do to support bus and community transport services?

In summary:

- Greater involvement of community transport at an earlier stage of planning to better inform decision making.
- Understand the reality of community transport services and the genuine role they play in supporting public access to services.
- Wider acceptance that transport is a cross cutting issue affecting all directorates and adapting planning processes to reflect this.
- A needs based approach to funding.
- Improved utilisation of community benefit clauses in procurement.
- Fully inclusive consultation processes prior to decisions on changes to public transport.

CTA Wales would like to work with local authorities to improve communication, consultation and engagement with the community transport sector. Most especially consultation and engagement with community transport is needed prior to decisions being made on cuts or changes to bus services. One response stated *“Greater involvement of CT providers at the earlier stage of planning would seem a sensible change so accessible transport provision is higher up on the priority list. In doing this local knowledge could be utilised to assess the implications of these new developments”*. This position is supported by the Bus Policy Advisory Group report that the that the impact on services is forecast as much as possible so that users, operators and Local Authorities can mitigate the effect, and that bus operators are encouraged to access business development support to retain services²⁵.

Better communication, consultation and engagement will result in an improved working relationship between community transport and Local Authorities. An improvement in the dialogue will also to dispel any misunderstandings and allow expectations to be managed (as outlined in question one). Some of the comments we received were as follows: -

“...they could actually listen to the CT operators and stop trying to run the CT organisations/companies for them. Give them more monetary support – CT cannot exist without some sort of financial

²⁵ <http://gov.wales/docs/det/report/140717-review-bus-policy-advisory-group.pdf>

help due to the nature of their business”.

“Nearly 4 years ago our co-ordinator died. We were told at the time by the transport dept. to just carry on with our own passengers until the lack of a co-ordinator could be resolved. We are still waiting!”

“It is clear by the council’s lack of interest in us that they are not interested in increasing usage. The result is that drivers are losing interest and giving up as more pressure is put on them to try to find alternative drivers whenever they wish to “have their own life”. As all drivers are volunteers they should not be expected to put their life on hold to ensure that the vulnerable people in the community are helped by fewer drivers

“Our local council does not communicate well. They decide on policy and advise what we MUST do. I believe they would get more co-operation if they explained their reasoning prior to introducing change”.

“Communication is the key especially in rural areas. The local people know where they need to go for basic services such as doctor, dentist or hospital services. Discussion with the locals will tell them what they need to know”.

Furthermore local authority engagement with community transport should not be limited to just the transport department. There needs to be an integrated approach which recognises the broader preventative agenda. Going forward Local Authorities need to consider the role community transport can play in the implementation of the Health and Social Wellbeing Act and Wellbeing of Future Generations (Wales) Act. More generally local authorities should have a broader recognition and understanding of policies and legislative changes that have a bearing on transport. Also through their engagement with Health Boards we would encourage Local Authorities to become a stronger advocate for community transport and support CTA Wales in their calls for funding for those ‘social need’ patients who are currently accessing community transport services.

As responsibility for the allocation of BSSG falls to local authorities CTA Wales recommends a review of its administration and management to address the inconsistencies across Wales. As far as possible we ask that local authorities make funding decisions earlier in order to comply with the Code of Practice for Funding the Third

Sector²⁶. With regards to funding CTA Wales acknowledges that Local Authorities are facing unprecedented cuts, nonetheless we would recommend that funding for community transport is protected given the disproportionate impact it would have if services were to be reduced (or had to be cut altogether). A needs based approach to funding will enable local authorities to take a local perspective on community transport, as one organisation commented *“Local Authorities by their very nature approach the question of support to community differently which is often a reflection of how each sees their own areas needs. [Our organisation] has received over many years good support from [our Local Authority]”*.

CTA Wales would also like to recommend that Local Authorities look at other innovative ways of supporting the sector, such as offering the use of social services vehicles wherever possible and in-kind support e.g. supporting the volunteer recruitment through advertising opportunities. We would also welcome more consideration of social value and community benefit within procurement processes. As mentioned in question one it is also important to ensure that there are not unnecessary requirements placed on community transport which can sometimes prevent them from tendering for services. We appreciate there is a difficult balance to be had but we would call upon local authorities to continue to support smaller community transport organisations in terms of grant funding but also do all in their power to encourage those that want to tender for services to do so.

A key concern for CTA Wales is that many people have been unable to voice their concerns regarding changes or cuts to bus services. Often the consultation processes have been inaccessible and have been seen as ‘tokenistic’. As part of the Passenger Transport User Advisory Group CTA Wales took the lead, with other partners such as the Older People’s Commissioner, Guide Dogs Cymru, Disability Wales and Bus Users Cymru” on a new publication for the Transport Minister, entitled ‘Getting There Together: Toolkit for Local Authorities: Inclusivity and Accessibility of the Consultation Process on Changes to Transport Services in Wales’. CTA Wales would encourage Local Authorities to have provide more opportunities to voice their concerns through robust and meaningful engagement and consultation. We would also

²⁶ <http://gov.wales/docs/dsjlg/publications/comm/140130-third-sector-scheme-en.pdf>

advocate for earlier impact assessments which examine the impact decisions will make on the most vulnerable people in society as well as undertaking rural proofing. A better understanding of the impact bus changes and cuts have on communities would benefit the whole of the transport sector.

Question 6 – what do you think about proposals to devolve bus registration powers to Wales? How should these be used?

CTA Wales supports proposals to devolve bus registration powers to Wales. The proposal was also supported by the majority of those who engaged in the consultation process. CTA Wales agrees with the Traffic Commissioner’s own position that Wales receives a “second rate service”. We recognise that decisions need to be quicker and more impactful and decisions taken at a more local level. The responses received indicated that organisations currently found bus registration slow and difficult. One organisation had experienced delays in their application for a section 22 as it required translation from Welsh. CTA Wales would therefore advocate for a Wales specific Traffic Commissioner and an office based in Wales with Welsh speaking staff. However we were also mindful that although we support the devolution of bus registration this comes with a caveat that extra and adequate resources are also devolved with the services.

Question 7 – please tell us whether you think further powers to regulate the bus industry in Wales are required and why?

As yet devolution of wider bus regulation powers has not been proposed. Responses from the community transport sector were mixed but on the whole organisations called for further investigation into what would be the best approach for Wales and how it could benefit the sector. CTA Wales would be keen to work with stakeholders to ensure that any further powers would support greater involvement of local communities in decision making. CTA Wales would of course advocate strongly that community transport should feature prominently in any new regulatory framework. CTA passionately believes in the benefits of greater integration and better relationships between community transport and the private sector and would support further powers if it was to achieve this goal.

CTA Wales would support further devolution of regulatory powers if it were to:-

- (i) Deliver better outcomes for passengers, especially those who use community transport and have been particularly affected by the recent budget cuts; older people, those with disabilities, the unemployed, younger people and those in low income jobs.
- (ii) Enable greater community input into the design of new routes, as well as greater accountability for and visibility of the transport needs of more vulnerable passengers.
- (iii) Be used to improve accessibility to and affordability of bus services in rural areas and small towns as well as larger city regions; in many rural areas where bus routes are unprofitable it is community transport operators who provide key services to local residents and we would support any move to help embed, sustain and grow these vitally important types of provision.
- (iv) Develop independent scrutiny frameworks to include bus user/consumer groups that are afforded significant regulatory influence (including groups representative of older people and the disabled).
- (v) Bring together disparate local authority transport budgets- i.e. Adult Social Care & Education - to enable integrated delivery and increase overall network capacity. In addition, the CTA Wales believes there should be greater collaboration with NEPTS.
- (vi) Support the introduction of franchise bus services via partnership mechanisms which integrate community transport into the overall bus network.

Devolving related powers in this sector could help the Welsh Government address Wales-specific issues and allow greater autonomy, flexibility and a clearer framework to drive forward the National Transport Plan and its links with relevant policies, strategies and legislation. CTA Wales supports discussions between the Welsh and UK Governments to ensure that decisions over bus and community transport services are clear, effective and made without lengthy delays.

Question 8 – what other action can be taken to ensure that bus and community transport services meet the needs of people in Wales?

CTA Wales would welcome plans to increase patronage on buses and would suggest that there is potential to work closer with the third sector who already operate small scale schemes such as bus champions, bus buddy schemes.

The changes to the blue badge scheme has caused a number of difficulties as some local authorities are no longer issuing blue badges to community transport organisations. Some community car schemes are now having to provide support to individuals in order to apply for their own badges which can then be used in community transport vehicles. This causes volunteers added difficulties as they do not have the capacity to support people individually and also increases the administrative burden and costs for local authorities as they will have to issue more badges.

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.