

The logo for the Community Transport Association (CTA) features the lowercase letters 'cta' in a bold, yellow, sans-serif font. The letters are positioned on the left side of a dark grey rectangular background.

**Cymdeithas
Cludiant
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Community
Transport
Association**

Inquiry into Welsh Government draft budget proposals for 2018-19

CTA Submission: September 2017

Introduction

In all parts of the UK, on every day of the year - including Christmas Day – thousands of community transport staff and volunteers are helping people to stay independent, participate in their communities and to access vital services and employment.

Community transport is about providing flexible and accessible community-led solutions in response to unmet local transport needs, and often represents the only means of transport for many vulnerable and isolated people. Significant user groups are older people and disabled people with a majority of services and projects working in rural areas.

Using everything from minibuses to mopeds, typical services include voluntary car schemes, community bus services, school transport, hospital transport, dial-a-ride, wheels to work and group hire services. Most services are demand-responsive, taking people from door to door, but a growing number are offering scheduled services along fixed routes where conventional bus services are not available.

As community transport works to a different business model from commercial passenger transport services, it is always run for a social purpose and community benefit, but never for a profit - it often a more reliable and resilient way of ensuring a broader range of transport needs can be met.

The Community Transport Association is the national body working with the providers of community transport, helping them to remain relevant and responsive to key areas of public policy and make a big difference for people and families in the communities where they work.

In Wales, community transport operators provide trips to many socially isolated individuals. Their services make a huge difference to the lives of people who are often unable to access other forms of transport and therefore would otherwise be unable to get to where they need to be. The marginality of services means they often face additional costs, and lack capacity to raise additional funds in the way a private enterprise might.

Our members work with some of the most isolated individuals in Wales, and they need a financial settlement which better support the sustainability and viability of services operated by community transport operators in Wales. Although community transport is flexible, our members felt it was important that the Welsh Government support their services to thrive. In compiling our response we have surveyed CTA members and spoken to the CTA Wales Committee on the issues raised in this consultation, as well as considered feedback we receive from members through our outreach work.

What, in your opinion, has been the impact of the Welsh Government's 2017-18 budget?

Through speaking to members and gathering views on this inquiry, we believe there are three key issues which have arisen out of the 2017-18 budget. These are that funding settlements do not enable long-term planning; our members are not remunerated cross departmentally for work they do; and one off capital funding may be necessary to support growth. Below, we have analysed each issue in turn, and provided some recommendations in part two of this document.

Short-Term Funding

Community transport operators receive a range of funding; this is either through central government funding, local authority grants, charitable donations, fares, or through contracts. At the moment, the administration of local and central government funding means they only receive funding for a one year period. This makes it difficult for operators to develop a sustainable service and seems in conflict with the ways of working set out in the Well-being of Future Generations Act which promotes the importance of long term decisions and preventative measures. Short term funding decisions make long term planning extremely difficult for community transport operators who are making a significant contribution to well-being and community resilience through the provision of transport which reduces the need for support services such as health and social care. Recognition of the savings community transport allows public services to make might encourage greater support for the sector.

The Welsh Government provides funding directly to transport operators through the Bus Service Support Grant (BSSG). This funding is administered on an annual basis by local authorities. The amount of funding allocated to community transport operators varies between different local authorities. For example, the Welsh Government suggested that in 2016/17 Vale of Glamorgan Council set a suggested target of £81,164 for spending on

community transport, in the end they contributed £28,200 to community transport operators in the 2016/17 financial year¹.

The combination of annualised funding, and lack of certainty of funding amounts, means that community transport operators may struggle to undertake long-term planning. This may be particularly problematical when organisations wish to make capital investments in either vehicles, or their organisational infrastructure. A respondent to our survey told us that:

“There should be a rolling programme of at least three years funding, so that trustees can make better decisions and that funding should be paid out on a monthly basis.”

Cross Department Funding

The application of state subsidies means community transport operators receive funding which reflects the miles they travel rather than the communities they serve.

Community transport operates across a range of Government departments. In particular, community transport makes a significant contribution to the health and wellbeing agenda, helping older people to maintain their independence for longer, and combating loneliness and isolation by enabling participation in community life. The report of the Older People's Commissioner for Wales on The Importance and Impact of Community Services within Wales also highlights the vital role that community transport plays in assisting older people to access their communities and essential services².

In our 2014 *State of the Sector* for Wales, our member reported that they received 18.4% of their capital funding from local health boards, and only a small amount of revenue funding³. We are aware that a large portion of our members work in health either in transporting people to hospital, doctors' appointments, or community care settings.

In addition to working in health, our members support people to access employment, education, and social activity. This work is often carried out on a non-contractual basis and relies on the communities of people who support people to get to where they need to be.

At the moment, in spite of this cross-sector working, funding does not necessarily reflect where community transport is operating. As discussed later in our recommendations we would like to see further consideration given to how cross-departmental funding could support innovation in the sector.

¹ <https://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2016/16-06-06/Reports/Bus-Services-Support-Grant-2016-2017-Cabinet-Report.pdf>

² http://www.olderpeoplewales.com/Libraries/Uploads/The_Importance_and_Impact_of_Community_Services_within_Wales.sflb.ashx

³ <http://www.ctauk.org/UserFiles/Documents/In%20Your%20Area/Wales/State%20of%20the%20Sector%20Wales%20English%20version.pdf>

Capital Funding

Operating community transport is more expensive than an average charitable enterprise. A new minibus alone can cost in excess of £40,000. As community transport operators exist not for a profit, but for a social purpose, there is often less scope for our members to raise funds.

In 2017/18 there are few capital investment programmes available to community transport members. This ultimately means that community transport operators may have to spend more time fundraising, and less time delivering vital services for people in their communities. In addition to this, some members will simply be unable to raise capital for future infrastructure investment, which may make developing their services difficult.

In spite of this we believe our members would be willing to undertake new innovative projects if capital funding was available to them. Many organisations which provide community transport already offer wider community benefits through their services. A well targeted capital funding proposal could extend the scope, and reach, of community transport operators throughout Wales.

What expectations do you have of the 2018-19 draft budget proposals? How financially prepared is your organisation for the 2017/18 financial year, and how robust is your ability to plan for future years?

In analysing the current implications of the impact of the 16/17 budget, and likely impact of the 17/18 budget, we have arrived at a number of recommendations for the 2018/19 budget. We have summarised these in the bullet points below.

Expectations for the 2018/19 draft budget proposals:

- We expect that there will be an overall reduction in the Welsh Government's funding settlement. This will place a premium on targeting funding where it can have the most impact.
- We encourage the Welsh Government to consider how funds such as BSSG can be administered over a multi-year cycle to give organisations greater certainty over their funding.
- Through more creative use of subsidies, commissioning, and grants, the Government should encourage the delivery of the goals and ways of working set out in the Well-being of Future Generations Act.
- The budget development process should consider how funding can be reoriented toward transport modes which bring wider social benefits. In particular, looking at how health, education, and employment budgets, can support innovations in transport.

- It is likely that local authority budgets will come under further pressure. We think there would be benefits in offering local authorities incentives to work with community transport operators to co-design travel networks, and new services.
- At the moment, it is clear that in some cases the Welsh Government's target for funding of community transport operators through BSSG is not being hit. We would encourage the Government to undertake a study of discrepancy between suggested funding, and actual funding, of community transport operators, with a view to revisiting guidance during the budget process.
- We are pleased that the Welsh Government agreed to adjust the reimbursement rate for concessionary fares for 2016/17⁴. However, whilst this is positive, we believe there remains a need to review the formula for reimbursement of CT operators and ask that this is explored through the budget process.

The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

The CTA has three main areas of comment in this section. As the providers of inclusive and accessible transport throughout the UK, our members lived experiences is key to our work. Through our conversations with them, we have a unique insight into; the sustainability of public services, approach to preventative spending, and the Well-being of Future Generations Act.

Approach to preventative spending and how is this represented in resource allocation

Community transport brings a range of positive health outcomes to its service users. As well as directly taking people to health appointments, our member's keep people out of the hospital in the first place through keeping them active, improving their users overall mental and physical wellbeing.

These additional benefits for people across Wales are not readily accounted for in resource allocation. It is not easy to quantify all of the preventative work our members do but it is apparent to anyone who uses their services that they prevent a wide range of negative and social outcomes.

We believe that the Welsh Government should investigate how it can work with third sector partners to encourage community transport operators to account for their work which has preventative benefits. This work should be funded, and in turn, used as a basis for further resource allocation either through BSSG, or new government spending.

⁴ <https://ctablog.org/2017/08/09/increase-in-concessionary-fare-reimbursement-for-section-22-routes-in-wales/>

Sustainability of public services, innovation and service transformation

It is clear that community transport plays an important role in fillings gaps where there is a lack of commercial transport provision. In a country as rural as Wales our members are often travelling long distances to ensure people can get to where they need to be.

Community transport is too often asked to provide a service as a last resort, and not accounted for in long-term bus network planning. This model is not sustainable, and many community transport operators struggle with the competing needs of local authorities, and local residents.

To develop a transport ecosystem which gets the best of both the commercial and charity sector we hope the Welsh Government seriously considers how its transport ambitions can be fully resourced. If the Welsh Government is keen to implement franchising and partnerships, as suggested in previous consultations, then the funding of these initiatives with communities at their heart should be properly considered.

Well-being of Future Generations Act

There is some evidence that the Well-being of Future Generations Act is influencing funding and delivery requirements. We do believe, however, that the Act presents an opportunity to ensure maximum value is achieved for every pound spent by the public sector. Investment in community transport is a good example of how funding can support the achievement of the national well-being goals. For example, community transport operators tell us that they provide health journeys, social support for passengers, access to sport and leisure facilities for those with disabilities and so much more. Any funding provided for community transport contributes to the achievement of economic, social, environmental and cultural well-being and we believe there is potential to strengthen the way public bodies use the Act in their budgeting and procurement processes.

Contact Details

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