

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	19 January 2016
Title:	Future Community Transport Operating Model
Reference:	7231
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this report is to obtain approval to consult with interested parties on an outline new operating model against which community transport services commissioned by the County Council could be provided in the future. This could include changes to the way in which some services are procured along with possible changes to the discount which concessionary fares holders currently receive on Dial-a-Ride and Call and Go services.
- 1.2. The report also proposes interim contract arrangements for a number of existing service providers to allow the continued provision of some services whilst consultation on a possible new operating model, as required by the Hampshire Compact with the voluntary sector, takes place.

2. Contextual information

- 2.1. In partnership with other funders, mainly district councils, the County Council has awarded contracts to provide a network of Dial-a-Ride and Call and Go services across Hampshire at a total cost of £905,757 with the council contributing £454,099 towards this. Most of these contracts have been awarded following a competitive process and are currently in place until 31 March 2017, although there is provision for these contracts to be extended until 31 March 2019.
- 2.2. Dial-a-Ride and Call and Go services primarily serve the individual needs of people with mobility difficulties (frail, older and disabled people) whilst the latter is also available to people without access to their own transport and who live more than 400 metres from their nearest bus stop. Schemes provide some 120,710 individual passenger trips per annum.

- 2.3. The Council also provides annual funding of £284,494 (including £42,954 provided by other funding partners) to Minibus Group Hire Schemes in Hampshire. These schemes provide a pool of wheelchair accessible minibuses, available for hire by voluntary and community groups. Some vehicles are also used in the delivery of Dial-a-Ride, Call and Go, Home to School and Social Care contracts. Funding from the County Council supports staff and office costs to oversee the operation of these schemes.
- 2.4. The Minibus Group Hire Schemes play a key role in offering transport to groups and individuals in their local communities and their activities support the Council's well-being agenda, particularly for older and disabled people. Their resources have the potential to encourage and support self-help initiatives within their local community and offer a 'safety net' of community transport provision. These schemes deliver over 250,000 passenger trips per annum. All but two of the Minibus Group Hire Schemes (Basingstoke and East Hampshire) are supported through single tender contracts which expire on 31 March 2016.
- 2.5. Since the County Council took on the responsibility for Concessionary Travel on 1 April 2011, the Hampshire scheme has incorporated a number of enhancements for people with disabilities. This followed a detailed Equalities Impact Assessment. These were included in the scheme and approved by the Executive Member on 19 November 2010. The enhancements to the statutory scheme included half fare travel on Community Transport services such as Dial-a-Ride and Call and Go, providing that the pass holder meets all the relevant eligibility criteria for these services.
- 2.6. As a whole the County Council needs to achieve efficiencies to meet its overall savings targets in view of reductions in government funding. In seeking efficiencies there is a need to explore whether the current arrangement with, in most cases, separate contracts for Group Hire and Dial a Ride/Call and Go services in each district is still appropriate or whether some consolidation of services into larger packages of work would provide economies of scale and a reduction in the cost of supporting these services. Alongside this, contributions income should also be considered, in terms of charges to users. As part of this, it may be appropriate to reconsider the level of discount offered to concessionary pass holders when using Dial a Ride and Call and Go services. This is an enhancement to the statutory scheme. An equalities impact assessment would need to be undertaken before any changes were agreed.

3. Future Operating Model for Providing Community Transport Services

- 3.1. The existing approach for supporting community transport services was previously agreed by the Executive Member in October 2007. Whilst the overall approach has worked well there is now a need to review this and design a new model for the future which can respond to the current operating environment, work within the current financial limits, and make a meaningful contribution towards the council's transformation agenda.

- 3.2. Any new operating model should enable value for money services to be provided and deliver the maximum benefit to both the local community and users alike. In particular, the model should embrace the need to change the way in which the Minibus Group Hire Schemes are procured in the future whilst at the same time taking the opportunity to enable a more co-ordinated approach to all the Community Transport services which the council is involved in.
- 3.3. Given the above, an outline for a possible new operating model is set out below:
- a) all contracts for the Minibus Group Hire Schemes would be awarded from 1 April 2017 following a competitive process, for four years with the option to extend for a further two years;
 - b) the scope for distributing existing funding for the Minibus Group Hire Schemes to more closely reflect population and use would be explored;
 - c) arrangements for wider based area schemes should be considered. This could see 4 areas being supported instead of 11 and build on the existing work of the Councils for Voluntary Service (CVSs) to work in clusters and potentially offer efficiencies to accommodate any reduction in the funding which might be available for these schemes in the future;
 - d) support to replace vehicles for all services could be provided, as resources allow, through additional payments under the terms of individual contracts. Payments would be based on a business case submitted by the scheme and guided by a forensic analysis of existing vehicle utilisation. The level of payment would ensure the council's first claim on the vehicle asset. Operators would be required to purchase second-hand and demonstrator vehicles where possible to achieve greater value for money for the council;
 - e) the scope for undertaking the future procurement of the Minibus Group Hire Schemes alongside their respective Dial-a-Ride and Call and Go services and other transport provided by the County Council would be explored. Given that many of these services are interdependent and complement each other, this would achieve better value for the Council, as recently demonstrated in the Basingstoke area;
 - f) a common branding for schemes and vehicles could be developed. Service names such as Dial-a-Ride, Call and Go, and Group Hire could be simplified and advertised through on-board destination displays and not through the vehicle livery itself, thus offering the appearance of a more joined up "community transport offer" in the local community. This would be possible where the council is the major shareholder in the vehicles which the operator uses to deliver the service;
 - g) Review the contributions which users and organisations make to those community transport services commissioned by the County Council in

order to explore the opportunities for maximising income. This would include looking at and consulting on the discount available to concessionary fares pass holders who currently use Dial-a-Ride and Call and Go services. An equalities impact assessment would need to be undertaken before any changes were agreed

- 3.4. It is proposed that the new operating model, outlined above, should be supported for the purpose of consultation with interested parties.
- 3.5. There are a number of issues which could influence a new operating model for community transport services including the work with district councils over proposed devolution options in Hampshire. In particular, there is district and local council interest in delivering some of the services concerned. Ongoing discussions between the European Union and the Department for Transport, following an operator appeal, over changes which may need to be made nationally to the community transport model could also impact on the format of any future approach.

4. Consultation

- 4.1. Many of the community transport services which the council supports have been developed through a strong partnership working relationship with the voluntary and community sector in Hampshire over many years. The funding for a significant number of these schemes is jointly provided by the County Council and a range of other agencies, including district councils. In order to preserve this partnership ethos it is important that any proposed changes to the approach for commissioning services should be consulted on with providers, funders and other interested parties before final proposals are agreed and implemented.
- 4.2. Under the One Compact for Hampshire, which the County Council has with the voluntary sector, a minimum period of 12 weeks needs to be allowed for consultation before any changes in policy are agreed and implemented. Following consultation with interested parties a formal report detailing a new operating model for providing services, including implementation timescales, would be presented to the Executive Member for approval at a future decision day.

5. Interim Contract Arrangements

- 5.1. All but two of the Minibus Group Hire Schemes (Basingstoke and East Hampshire) are supported through single tender contracts which expire on 31 March 2016. Given the intention longer term to move away from the use of single tender contracts and the need to consult with schemes on any new operating model, as required by the Compact, interim arrangements are proposed for the remainder of these schemes.
- 5.2. This report therefore recommends that single tender contracts be awarded to the current service providers listed below for the provision of Minibus

Group Hire Schemes for a one year period commencing on 1 April 2016. Contracts would be awarded at the current funding level for this period with inflation added.

Scheme	Contractor	Estimated Value for one year contract £
Eastleigh	One Community	49,044
Fareham	Community Action Fareham	10,471
Gosport	Gosport Voluntary Action	11,399
Havant	Communities First Wessex	33,244
New Forest	Community First New Forest	24,758
Rushmoor and Hart	Rushmoor Voluntary Services	16,153
Test Valley	Test Valley Community Services	43,233
Winchester	Communities First Wessex	18,057
Total Estimated Value		206,359

- 5.3. These single tender contracts will be awarded in accordance with Appendix 1 which sets out the justification for these single tender contract awards.
- 5.4. The Test Valley Call and Go service is currently supported through a single tender contract which also expires on 31 March 2016. The service is operated by Test Valley Community Services using only volunteer drivers and therefore this approach was seen at the time as the most appropriate method of securing a defined level of service for this area. Longer term this service would be procured through the operating model outlined in paragraph 3.3 of this report.
- 5.5. This report therefore recommends that a single tender contract be awarded to Test Valley Community Services for the provision of the Test Valley Call and Go service for a one year period commencing on 1 April 2016. The contract would be awarded at the current funding level for this period (£14,114) with inflation added, subject to a matching contribution being agreed by Test Valley Borough Council, who jointly fund this service with the County Council.

6. Conclusion

- 6.1. This report proposes consultation with interested parties on a possible new operating model against which community transport services could be commissioned by the County Council in the future. This includes changes to the way in which some services are procured along with possible changes to the discount available to concessionary fares pass holders who currently use Dial-a-Ride and Call and Go services.

- 6.2. The report also proposes that interim contract arrangements be agreed for a number of existing service providers for the continued provision of some services to enable consultation with schemes on a possible new operating model, as required by the Hampshire Compact with the voluntary sector, to take place.

7. Recommendations

- 7.1. That the proposed new operating model for procuring and supporting community transport services in Hampshire by the County Council, as outlined in paragraph 3.3 of this report, be supported in principle for the purpose of consultation with existing providers, other funders and interested parties.
- 7.2. That the County Council consults with interested parties on a possible reduction to the discount which concessionary fares pass holders receive on Dial-a-Ride and Call and Go services.
- 7.3. That single tender contracts be awarded to the current service providers identified in paragraph 5.2 of this report, to facilitate the continued provision of Minibus Group Hire Schemes, for a one year period commencing on 1 April 2016.
- 7.4. That a single tender contract be awarded to Test Valley Community Services for the provision of the Test Valley Call and Go service for a one year period commencing on 1 April 2016, subject to a matching contribution from Test Valley Borough Council being confirmed.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Community Transport Contracts and Good neighbour Support Service Contract	3701	6 March 2012
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. As the proposal will not amend existing arrangements at this stage, there should be no impact upon those with protected characteristics.

It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

This is because the proposed new operating model for community transport will be the subject of consultation with interested parties and the final model will take into account feedback received during this process. The results of the consultation, along with a final proposed operating model for community transport will then be reported to the Executive Member. A further equalities impact assessment on the final proposal will then be undertaken. The report also proposes interim contract arrangements for a number of existing services to allow the continued provision of some services whilst consultation on the new operating model takes place

2. Impact on Crime and Disorder:

- 2.1. The services should enable greater access and support wider community involvement which can help to reduce crime.

3. Climate Change:

- 3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

The services will be able to provide group travel opportunities and so reduce the need for individual car journeys.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As sustainable travel modes of transport become more important in mitigating climate change, the proposals support travel options for groups and individuals which is in keeping with the need to reduce carbon emissions.

Minibus Group Hire Schemes Single Tender Contract Award

Proposal

To award one year single tender contracts from 1 April 2016 to seven Councils of Voluntary Service across nine districts in Hampshire to operate eight Minibus Group Hire Schemes, on the basis that no other organisation will be able to fulfil the Section 19 Permit criteria and the contract service specification, as outlined below.

Justification

The current Service Specification requires contractors to:

‘Provide a ‘group hire’ minibus operation, using the specified vehicles, operated for hire or reward under Section 19 Standard Permits issued under the Transport Act 1985 as amended by the Local Transport Act 2008, to enable eligible local voluntary and community groups to hire minibuses at affordable rates ..’

Contractors are required **to hold a Section 19 Permit** – to qualify for a Section 19 Permit the contractor must be a Not for Profit organisation. This enables the contractor to operate a minibus for hire or reward without meeting the full PSV regulations, in particular without the requirement for PCV licensed drivers, and in doing so, provide a transport service to qualifying individuals and other not for profit organisations or groups.

In addition to this the contractor also needs to comply with the requirement of **being an Umbrella Organisation**, or an organisation which can accept other not for profit organisations as members within a district council area. This enables these members to operate under the Section 19 Permit held by the contractor when hiring the vehicle and allows them to legally recover a ‘fare or contribution’ from their passengers. Without this umbrella permit, each organisation would require their own minibus permit from the Traffic Commissioners in order to operate their transport legally.

Although individual community groups can apply for Section 19 permits, this then also puts the onus on them, rather than the minibus owner for the maintenance and safety inspection of the minibus, even if it is not owned by them. This would appear to place an increased level of requirement on individual groups and organisations whose expertise are not in running and maintaining a minibus, and could undermine the accessibility of the group hire schemes to some groups.

The requirement for **affordable rates** is supported by the Section 19 Permit requirement, due to the not-for-profit requirement of the permit. One of the original objectives of supporting these ‘group hire’ schemes was that cost effective and accessible transport could be made available to support the activities of local community groups. Providing affordable transport to local groups in the community supports the council’s well being agenda.

Single tender awards to CVSS

Only one type of organisation is considered to fulfil all the above requirements for this service and the contract specification – the Councils of Voluntary Service (CVS) in Hampshire. These organisations are uniquely placed to deliver this service because:

- (i) they are voluntary organisations and consequently they are able to operate minibuses under Section 19 Permits.

- (ii) they have a remit to work with the whole community. Other organisations may meet the requirements to operate a vehicle under a Section 19 Permit but may only be concerned with a subsection of the community e.g. older people, young people etc;
- (iii) their ability to resource and provide volunteer drivers for hiring groups is greatly enhanced given that most CVSs also run a Volunteer Bureau specifically to recruit and place volunteers.
- (iv) they already have an established local presence and are involved in working relationships with a wide range of different voluntary organisations many of which would be the same groups who could benefit from the Minibus Group Hire Schemes.
- (v) they already promote the ' self-help' approach which is a key ethos of the Minibus Group Hire Schemes.
- (vi) there are only a limited number of these organisations, usually one per district.
- (vii) they are set up to preserve and support the development of local community groups and activities. Transport is closely linked to their community development role. When, for example, they are working with an organisation to develop voluntary day care provision, they can also provide transport to enable it to happen.

Therefore, given the above, the CVS's can be regarded as the specialist suppliers, each often being the only organisation based in their own operating area which is able to meet the single tender requirements (Section 19 Permit and contract specification).