

A CTA STATE OF THE
SECTOR REPORT

cta
england

**Community
Transport
Association**

2014

What next for
Community Transport?
Insights and ideas for action





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INTRODUCTION

FROM BILL FREEMAN

Chief Executive, Community Transport Association



When asked to explain where community transport fits in, I often find it helpful to talk about a diagram with two overlapping circles: one circle is the passenger transport industry and the other is the voluntary sector. In the space where those circles intersect you will find community transport. Even though we are in the middle of the picture in our minds, to others we can appear to be at the outer edge of each circle and therefore at the centre of neither.

I use this diagram to illustrate a concern we share with our members that community transport could and should be more central to discussions about developments in both transport policy and social policy. If we are to make sure community transport is not on the margins of these conversations then we have to do two things.

Firstly, recognising that people often only value what they understand, we have to create and share knowledge about what community transport is and how it works. Secondly, we need to make a much greater link between what policy makers are trying to achieve and how community transport is well placed to help.

Our 'State of the Sector' reports aim to do both of these things, by providing an accurate and intelligent picture of our sector at work and illustrating what we think needs to be done to enable community transport to make a bigger contribution to important policy agendas.

This report is designed to raise the profile of the community transport sector in the minds of policy-makers and practitioners in local and central government and present some ideas for action. It could never contain every issue and every idea, but we think it illustrates a handful of the biggest issues that we all need to focus on in the next few months and years.



THE AUTHORS

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*...community transport
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BACKGROUND

About the Community Transport Association

The Community Transport Association (CTA) is the national membership association for community transport operators in England, Scotland, Wales and Northern Ireland.

The CTA's vision is *"To see community transport thriving across England, Scotland, Wales and Northern Ireland, enabling people to live independently, participate in their community and access education, employment, health and other services"*.

The CTA's mission is to lead and support community transport to be successful and sustainable in all parts of England, Scotland, Wales and Northern Ireland through:

- **Political leadership:** Promoting community transport and influencing the development of better strategy, policy, regulations and investment at all levels of government.
- **Practical support:** Advocating high standards of practice and providing advice, information, training and hands-on support that assists community transport in working to these standards.

We therefore aim to strengthen the work of our members, which include voluntary and community organisations, charities, social enterprises and co-operatives, enabling them to deliver high quality services to those who depend on community transport for many reasons.

What is community transport?

Community transport is about providing flexible, accessible and responsive solutions to unmet local transport needs, and often represents the only means of transport for certain user groups. Using everything from mopeds to minibuses, typical services include voluntary car schemes, community bus services, school transport, hospital transport, dial-a-ride, wheels to work and group hire services. Community transport benefits those who are otherwise isolated or excluded, enabling them to live independently, participate in their communities and access education, employment, health and other services.

As community transport is regulated differently from conventional bus services, it is particularly well-placed to step in where conventional services are not viable or available. It can use or adapt any passenger-carrying vehicle to do exceptional things, always for a social purpose and community benefit, never for a profit.



METHODOLOGY



The CTA keeps up to date with key information on the organisations which make up the community transport sector; in order to do this we collect a range of data from our members and other contacts.

The CTA has used a variety of sources to help inform this report. They include the following:

State of the Sector survey

This survey was designed and distributed to community transport operators in England via an online survey tool. It targeted all community transport organisations in England, including the key organisations in each local authority area.

Community transport operators were classed as either primary or secondary providers.

- **Primary providers:** where community transport is the operator's main purpose.
- **Secondary providers:** where organisations provide some kind of community transport but it is not their main purpose, examples being the British Red Cross and RVS.
- **Other providers:** where operating community transport is a minor component of the organisation's overall activities and is intended to support other functions. This can include schools, Scout groups and care homes.

The questions focused on the following key areas:

- **Staff & volunteers** – the number of paid full-time and part-time staff, number of volunteers, information such as length of service for the most senior member of staff in their organisation.
- **Income & expenditure** – total annual income and expenditure for the last completed financial year, reserves position and details of where income came from.
- **Reduction in public spending**
- **Services & members** – the number of beneficiaries that had used their services in the previous 12 months.
- **Vehicles & journeys** – the type and number of vehicles they own or lease and the number of trips they completed in 2013/14.
- **Local relationships** – information on their local relationships.
- **Health** – the number of health-related trips their organisation made within the previous 12 months.
- **Challenges** – the challenges their organisation faced.

As in previous years the CTA State of the Sector survey sought to capture the size, scope and scale of community transport operation in England. The information gathered helps us to influence policy makers, key stakeholders and funders on the importance and capabilities of the community transport sector.



CTA Roadshow feedback

The 2014 CTA roadshows, which all followed a similar format, were attended by CTA members and other interested participants. They sought to promote discussion between attendees; the outcomes of those discussions have been used to help take forward the CTA's policy development work on behalf of the community transport sector.

The following exercises were used to identify clear outcomes for the CTA:

Exercise 1: Issues and priorities for the CTA's policy development and campaigning

The first exercise asked participants to consider the issues and priorities for the CTA's policy development and campaigning.

Groups were asked to identify the big issues affecting them and the people and communities they work with, thinking about making the most of new and emerging opportunities as well as highlighting threats. They were asked to think about issues in which community transport can make a greater contribution than at present or things that are getting in the way of making the biggest difference they can in their communities.

Exercise 2: Practical support – ideas and initiatives for staying in good shape

The second exercise asked participants to reflect on the practical support the CTA might offer, suggesting ideas and initiatives for staying in good shape.

Groups were asked to discuss their biggest challenges, opportunities and aspirations.

Case studies

This report has been enhanced through the use of case studies. These are included within the text of the document and are based on the findings from the State of the Sector survey.

Groups were asked to identify the big issues affecting them and the people and communities they work with

KEY THEMES AND RECOMMENDATIONS

This latest State of the Sector report highlights a number of key themes; each of these raises issues for the CTA and its members to take forward when engaging with policy makers and practitioners across local and central government. Each theme also carries a recommendation based on the issues identified as priority areas for action.

We have examined all the evidence and statistics we hold to determine how best to help and support community transport and we have asked ourselves: what's next for community transport?

It is clear that the status quo presents many challenges and risks which have the potential to destabilise the long-term health and viability of many organisations which make up the community transport sector. This report will serve as a tool to highlight areas where policy change is needed, and where extra funding might support the sector to deliver services to the most vulnerable and isolated communities.

Many issues in this report will be familiar to its readers. These are the issues which occupy the CTA and which we continue to address on behalf of our members. They are the issues which we raise with government at every level, and which we seek to take forward across the community transport and wider voluntary sectors.

However, this recently gathered evidence puts everyone in a position to make a much stronger case for investment and improvements to regulations, to enable community transport organisations to make the biggest difference they can for those who rely on their services.

GENERAL INFORMATION FROM OUR STATE OF THE SECTOR SURVEY

The following information has been drawn from our State of the Sector survey and gives an idea of the size, scale and scope of the community transport sector in England. We have included this overview to provide a summary of operations and to demonstrate the diversity of community transport in England.

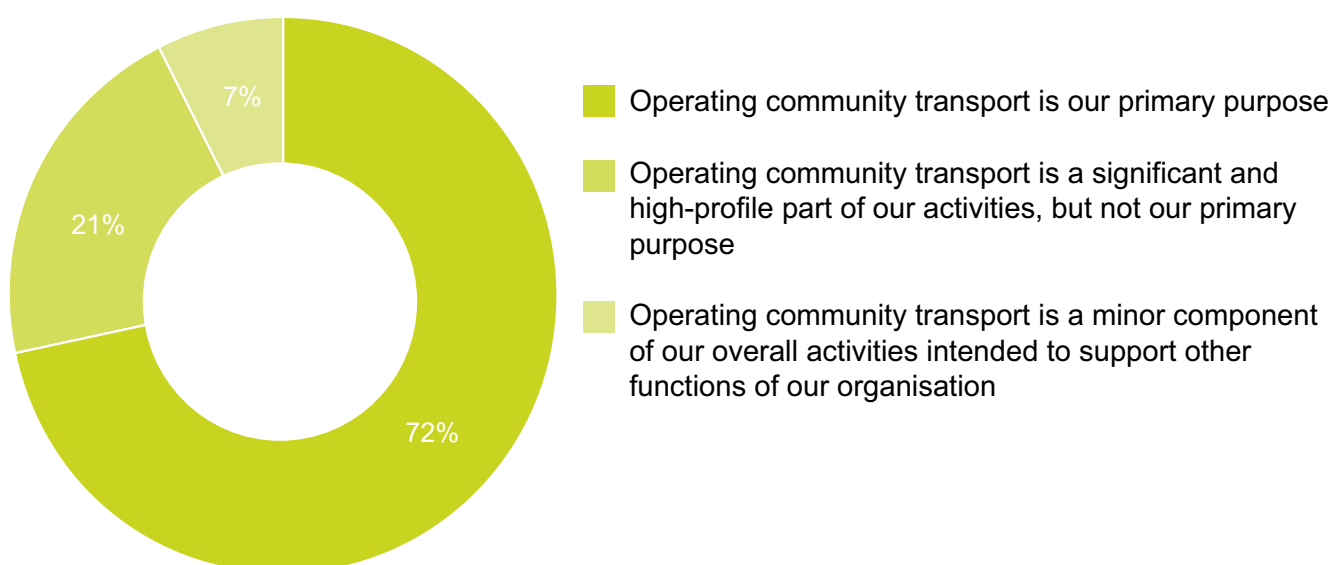
Types of providers

Community transport is not exclusive to organisations that run these services as their primary function; for many groups, it is part of a much bigger picture. We asked in our survey how organisations would class their community transport operations, and the results are shown below.

It is clear from the statistics that the majority of respondents provide community transport services as their primary function. The CTA works closely with primary organisations to understand their needs and aspirations.

However, we also wish to focus on those organisations that have a wider purpose yet still deliver community transport. Opposite is an example of an organisation which supports community transport as a secondary function.

Which of these categories best describes your organisation's activity in community transport?





CASE STUDY

Community First, a secondary function community transport operator

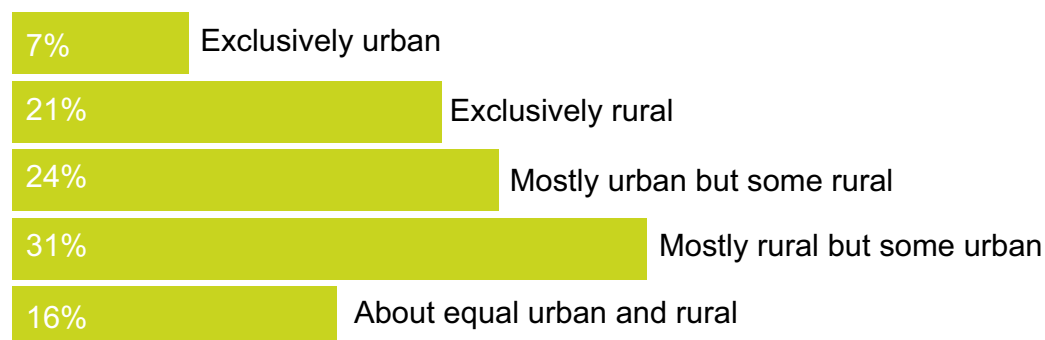
Community First, Wiltshire's Rural Community Council, is one example of an organisation that provides community transport alongside several other services. Its objective is "to enable communities in Wiltshire and Swindon to determine and develop thriving places in which to live and work". As a Rural Community Council, its roles are many and varied and include wellbeing support, community development and, of course, community transport. There are two small community transport teams at Community First, one of which supports a network of minibus groups while the other supports voluntary car schemes in the area. As well as supporting these external services, Community First also runs a Wheels to Work scheme, enabling young people to access employment by lending scooters at an affordable rate, and directly provides school transport, day care transport and vehicle hire. According to the charity's community transport manager, the role of transport within its wider functions is becoming more and more important "due to pressures on local bus services", a problem that has been increasingly highlighted in CTA research and correspondence, especially by rural operators.

The distribution of urban and rural community transport organisations

We asked our respondents how they would classify the local areas they serve, as the way people benefit from community transport can vary greatly between rural and urban localities.

31%
of community
transport is
mostly rural

The rural/urban mix in community transport



FAST FACT: The Office of the Traffic Commissioner states that there are in the region of **500** section 22 local bus service registrations operated by approximately **200** different organisations



Permits and licences used to operate community transport vehicles

As is evident from the figures below, collected from our State of the Sector survey, the vast majority of community transport organisations operate their vehicles under permits.

Section 19 and 22 permits exist to exempt organisations operating without a view to profit in England, Scotland and Wales from the need to hold PSV 'O' licences (public service vehicle operator licences) when providing transport for a charge. Section 19 permits allow the operator to carry members of their organisation, whereas section 22 permits allow the operator to carry the general public.

It is clear that the most common permit by far is the section 19 standard bus permit. This signifies that minibuses operated for members only are the most common form of bus transportation in the community transport sector. The small number of section 22 large bus permits in operation in community transport reflects the fact that large bus services run for the general public are more commonly provided by private operators.

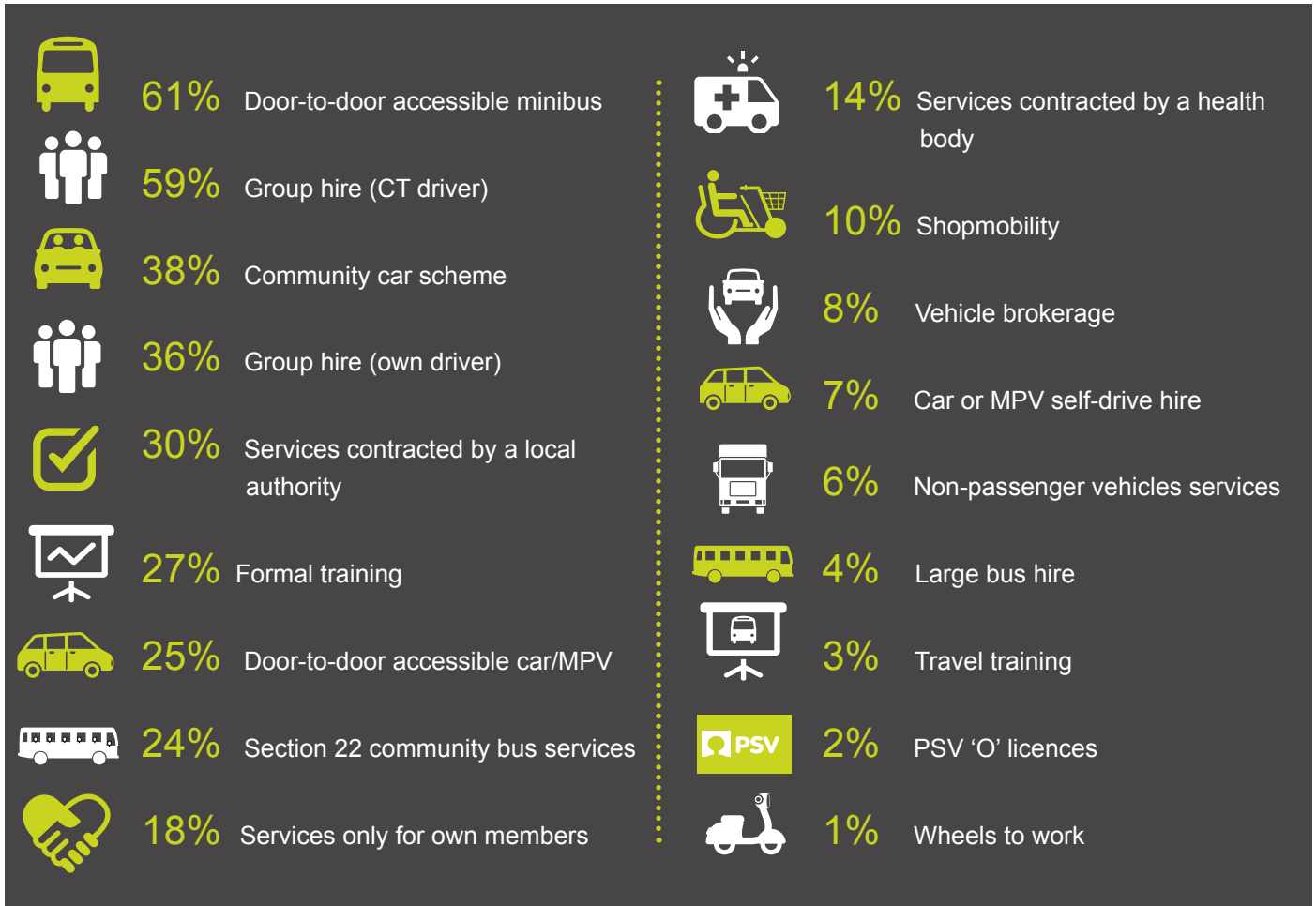
- **79.2%** are section 19 standard bus permits
- **4.4%** are section 19 large bus permits
- **14%** are section 22 community bus permits
- **0.2%** are section 22 large bus permits
- **2.2%** are PSV 'O' licences.

Services provided by community transport

As community transport caters for such a diverse set of needs, the types of service it provides vary greatly between organisations. Opposite is a breakdown of the main types of service offered and the percentage of community transport organisations offering them, drawn from responses to our State of the Sector survey.

...minibuses operated for members only are the most common form of bus transportation in the community transport sector

1/5 of organisations were founded within the last ten years



- For operators based in exclusively or mainly urban areas, the most common service is door-to-door accessible minibuses
- For those based rurally, the most common service is a group transport minibus hire with the driver provided by the community transport organisation

Length of operation

We know that there is a constant demand for community transport, and our data tells us that new organisations are set up in response to this demand. When asked about their length of operation, one fifth of our respondents said that their organisations had been founded within the last ten years. However, responses ranged from just two years to 50 years. We spoke to Colin Waller of the Harting Minibus (see over), which has been running for 41 years, to give us an insight into the operations and history of a long-running enterprise.

Ratio of male to female volunteers is 7:3

CASE STUDY

Harting Minibus, a long-running organisation

The Harting Minibus is a prime example of a long-running community transport scheme that has been an ongoing success. The scheme started operating in 1973, in response to the withdrawal of local bus services and the need for residents, many of whom were retired and with decreased mobility, to reach healthcare and shopping facilities. The scheme now has two minibuses that serve the rural community of Harting parish, running licensed routes to nearby towns six times a week and also hiring its vehicles out to serve groups such as youth clubs, churches and parent groups for school runs.

So how does an organisation keep running successfully for such a long period of time? According to Colin Waller, the answer is simple: need. The village of Harting in Hampshire is relatively remote and has had consistently poor public transport links since the scheme was set up. For this reason, there are high levels of enthusiasm among the volunteers staffing the scheme, which include “41 drivers, a dozen or more fundraisers, an expert in traffic law, a professional accountant and a professional administrator”.



Gender

According to our State of the Sector survey:

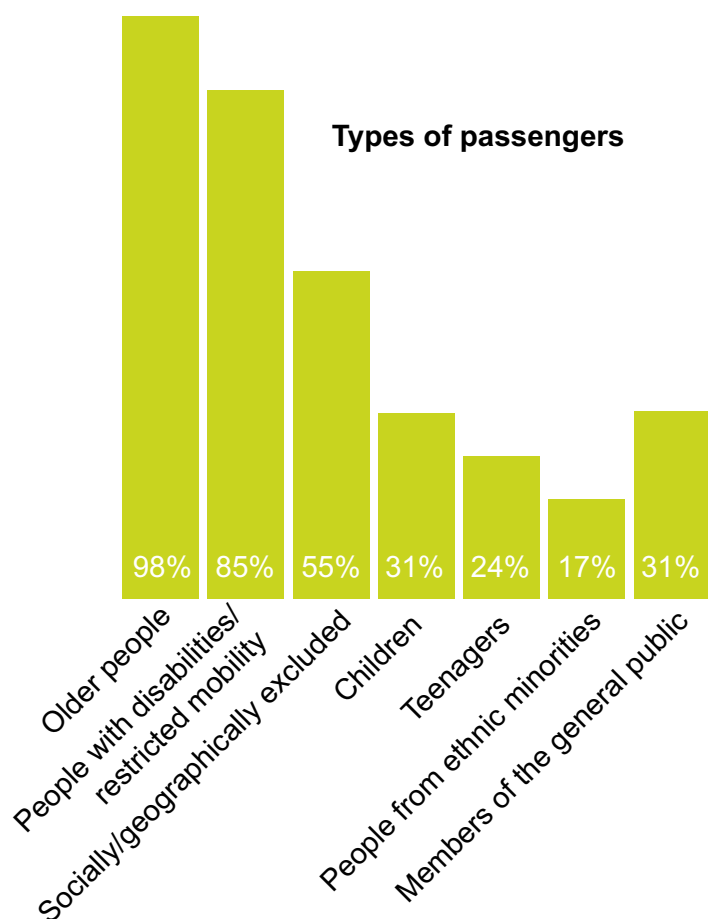
- The ratio of male to female volunteers is 7:3. This does not reflect the general trend of volunteers in the UK, which shows that male volunteers exceed women by only 1%¹. The gender of volunteer drivers may simply reflect the gender of drivers in the wider community: according to government statistics, men still outnumber women behind the wheel and professional driving remains a male-dominated activity.
- The ratio of male to female heads of community transport organisations is 3:2. This compares favourably with the gender balance for managerial positions across the passenger transport sector, in which only 24% of managers are women, a ratio of 3:1².

Who uses community transport?

In our survey, we asked who the main beneficiaries of community transport passenger services are. The graph opposite shows the percentage of respondents who provide transport to a number of different user groups. The diversity of these user groups is evident, but those who benefit most widely are older people and people with restricted mobility, with 98% and 85% respectively of community transport operators serving these groups.

¹ Source: The New Alchemy report, released on 5 September 2014 by not-for-profit consultancy nfpSynergy.

² Source: People 1st analysis of the Labour Force Survey 2010, Office for National Statistics.



These are the purposes for which community transport operators make their journeys, from most to least common:

- **78%** take people to social outings
- **73%** carry out health-related trips
- **68%** carry out trips involving food or shopping
- **65%** help people to get to community activities
- **64%** take people to day centres
- **35%** provide journeys to recreational or sports facilities/activities
- **34%** help people to access education
- **11%** help people to access work
- **1%** take people to vote.

The fact that 78% of organisations take people to social outings is extremely significant as it demonstrates the impact that community transport can have on improving the lives of a great many people. A good social life and community interaction can have a strongly positive effect on general wellbeing, particularly among those who are otherwise isolated due to age, mobility or location.

78% of organisations take people to social outings

KEY THEMES AND THE CTA'S RECOMMENDATIONS

1. INTRODUCTION

The idea that there is a group of organisations and services designed in such a way as to offer a more reliable and resilient model of meeting a diverse range of transport needs than commercial or subsidised bus services makes sense to many members of the public.

The idea that this infrastructure must be enabled to work effectively through an appropriate and proportionate regulatory framework, which recognises the unique nature and value of not-for-profit services with high levels of volunteer involvement, should not be a point of contention.

The idea that government would also want to invest in making sure this infrastructure is in good enough shape to help policy-makers address many of the challenges they face is not so fanciful either.

And yet constant attacks on the regulatory framework within which the community transport sector works, coupled with a challenging funding environment, are making it harder for many organisations to make the biggest difference they can for the communities and people they serve. Community transport cannot reach its full potential if it is kept in a box which gets opened only when there's no money available and when everyone else has had a chance to show they can't make it work.

Without action to address this, thousands of vulnerable and isolated people could see a marked downturn in their quality of life, which would place an even bigger burden on the public purse. We know of no mainstream politician who would wish to sign up for this. We call on politicians of all parties to ensure the affordability, accessibility and connectivity created through community-led transport solutions features more prominently in both transport policy and social policy.

We also want politicians to stand up to those interest groups who believe there is something to be gained for themselves from the unfair and unwarranted attacks on community transport.

Reaching a settlement on regulation

The permit system for community transport has worked well for over 30 years, enabling community transport operators to create amazing outcomes for the users and commissioners of their services. The section 19 permit allows community-based organisations to operate non-profit services for public benefit whilst ensuring that transport remains both safe and legal. The current section 19 permit has evolved via the Local Transport Act 1985; more recently the Local Transport Act 2008 has ensured it remains fit for purpose. Derogations with certain EU legislation enable these arrangements for not-for-profit services to be maintained as the default set of regulations for the community transport sector in the UK.



Whilst some argue this means the sector is unregulated, this is far from the case. There are strict requirements and sanctions for non-compliance and the CTA ensures operators have access to high-quality advice and information so they can work effectively within the rules. The CTA has also led the sector in developing our own standards for driver training and managing a transport operation, all designed to maintain the credibility of, and confidence in, the UK's community transport sector.

Despite all this, the European Commission has recently taken an interest in the legislation that relates to the UK's community transport sector, based on complaints made by a very small group of commercial operators, largely led by one or two individuals who mistakenly believe that community transport represents a significant risk to the business of commercial operators.

It is true that some small commercial operators feel the financial burden of compliance with regulations is too high for them, but their grievances are misplaced if they think this is solved by bringing down the community transport sector. Indeed, the CTA itself has taken the lead in assisting the DfT and Defra to seek out ways in which community and commercial operators can develop complementary services which would benefit both sectors.

It's been easy to see this small, but very aggressive and vocal, anti-CT lobby as an English phenomenon whose ire is only aimed at those that compete with them for contracts, but their actions have the ability to do damage to all

types of organisations and services across the UK, especially as they seem to have found an audience in the European Commission.

We have seen evidence of the misinformation and oppressive tactics used in letters to ourselves, community transport operators, the DfT and the Traffic Commissioner. It is hard to see why the European Commission would be minded to act on this. However, we understand that once complaints have been raised through the formal channels, they have to investigate them and seek out the facts as they exist, not merely as they are presented to them.

State aid

The original challenges were around state aid. The anti-CT narrative opines that some operators win contracts to deliver services and some have grants from public bodies, which must mean these grants have been used to create unfair competition for contracts. They believe they have 'lost' contracts to community transport organisations because of this.

It is puzzling to see how charities and community groups seeking to address market failure in a neighbourhood, town or city in England could be accused of affecting trade between member states of the European Union or distorting any market – which is what the rules on state aid are intended to prevent. Nevertheless there are clear rules about the funding that can be given and which the EU believes would not have an impact on trade and competition; we would never advocate that anyone should work outside of these.



We also know that there have been further challenges related to the domestic application of Directive 2003/59/EC (on training requirements for professional bus/coach drivers) and Regulation (EC) No 1071/2009 (concerning the conditions to be complied with to pursue the occupation of road transport operator).

Put simply, this would mean having to accept an EU definition of 'commercial' which means that community transport organisations delivering public sector contracts are engaged in commercial activity and will have to do so under an 'O' licence. This means they would need to comply with managers' and drivers' Certificate of Professional Competence (CPC) requirements, the rule on good financial standing and drivers' hours records (with the cost of installing tachographs). Some operators already choose to do this in addition to having section 19 services, but the majority of operators do not.

The Department for Transport agreed to review the scope of relevant EU legislation in relation to the community transport sector to avoid infraction proceedings being taken against the UK government.

At the time of writing this report, it is difficult to give clarity on this matter, but it remains a worrying development.

If enacted, this could be a massive blow for all types of operators, not just those delivering public sector contracts using section 19 permits. Some would say a line can be drawn between those operators who would need to comply (those wishing to deliver public sector contracts) and those who could continue to work under the current derogations (everyone else). It is doubtful whether such a line can be drawn.

Even if it were true that such a demarcation could be made, the CTA could not support an assurance that it might be possible to allow a certain number of community transport operators to continue with the current derogations in order to sweeten what might be a damaging, and ultimately existence-threatening, outcome for many others. We know that some within our own family of organisations do not wish to deliver services via contracts, but we do need a consensus that, for others, this is just another way of bringing to life our values and unique approach.

These developments affect community transport directly, but if public sector contracts are deemed to be 'commercial' and organisations with a not-for-profit legal status are inhibited from bidding for them, this could potentially have implications for other parts of the charity sector. It would certainly run counter to the UK Government's agenda of encouraging charities to get more involved in delivering contracts and relying less on grant.

Even if none of these challenges result in significant changes to any rules, the danger is that mainstream opinion on the nature and value of community transport will have shifted to a more sceptical and cautious position.

The current rules don't always feel like they are on the side of a community transport organisation

Even if this does not result in operators being unable to deliver a contract using vehicles with section 19 permits, commissioners may decide to stop allowing this anyway.

Even if a small grant goes nowhere near contravening state aid rules, public funders may choose not to give any grants for fear of falling foul of the rules.

Ultimately we have to decide where we stand as a sector on these matters, and it's important that we stand together.

A new settlement?

We have considered the possibility of a new settlement for community transport and what it might look like. The current rules don't always feel like they are on the side of a community transport organisation, nor are they designed to enable organisations to do their best for the communities they serve, but there may be significant risks associated with starting again with a blank sheet of paper.

Do we accept that many community transport organisations are going to have to become indistinguishable from the commercial sector to which they are often called upon to provide a contrast? This seems counterintuitive – erasing the very benefits derived from the unique way community transport is organised. If such a development occurred, would we be able to build back into the system some recognition and reward for delivering immense social value and community benefit on a not-for-profit basis?

Whilst we are having these debates, the CTA's strategy must be to defend the current regulations and to make the case for the unique approach we have here in the UK. It must be cherished, nurtured and protected by all those who want the very best for their communities and see community transport as being integral to that.

We must continue to defend the use of section 19 permits in delivering public sector contracts and build a wider coalition of support for defending community transport in the UK.



42% of organisations have competitively tendered for contracts

We need to improve the way in which we describe the facts about section 19 permits in order to challenge some of the myths and arguments we read and hear. We also need to be clear that it is perfectly possible to grant-aid community transport without distorting competition or contravening legislation. We must be prepared to argue that in many instances traditional grant-making will be the best way of achieving the public benefit which government at all levels wishes to see.

We have a unique community transport sector in the UK, the like of which is not known anywhere else in the European Union. It's easy to see how the European Commission might not value something they do not understand; this argues that we need to step up our efforts to generate support beyond these shores for what we have.

RECOMMENDATION 1

.....
We urge the UK Government to work with national governments in Wales, Scotland and Northern Ireland and the representatives of local government to defend the UK's unique arrangements for enabling a thriving community transport sector.

2. RESPONDING TO A CHALLENGING FUNDING ENVIRONMENT

The current economic climate and this Government's programme of reduction in public expenditure are also impacting on community transport operations.

Community transport has received financial support from local authorities in many areas of the country, in some cases over a long period of time.

As local authorities face increasingly difficult decisions on spending priorities, community transport funding has come under closer scrutiny. Many areas have seen funding reduced or cut completely. There are examples of growth, however, and areas in which community transport is seen as a solution to transport problems, for example reductions in subsidised services. It has proved itself a very cost-effective solution in such circumstances.

Community transport is not alone in feeling the effects of the current climate and the challenge of finding sustainable funding is not new, but it remains one of its most significant and complex challenges.

The CTA works continually with its members to understand the strains which are placed on their organisations. The funding issues faced by members vary according to the size, scope and scale of the organisation.

During the 2014 roadshows the top concern for community transport providers was the future sustainability of their operations.



There is a perception that community transport operators should become less reliant on grant funding and move towards delivering more contracts.

The evidence is clear from our State of the Sector research that 42% of organisations have competitively tendered for contracts at some point. We asked community transport providers to whom they provide contracted/tendered services; the following commissioning bodies had the most significant overall response:

- Local authority – public transport 66%
- Local authority – adult social care 61%
- Local authority – home to school 40%.

It is our view, however, that there should be a diverse mix of funding available to community transport organisations. Every form of funding has a potential drawback, but traditional grant funding may be the best way of achieving the public benefit that funders want to see.

Where organisations have tendered for contracts the majority of respondents stated that no social value considerations were involved in the process. This is disappointing as the Social Value Act was introduced in January 2013 for public bodies to consider social value during procurement. Our feedback from members states that provisions for social value are so far not evident in the procurement and commissioning process, nor is an explanation on how to measure the social value aspect of the work being tendered for.

The government should therefore encourage local authorities to ensure that their procurement and commissioning processes take account of social value, issuing guidance on how to measure it. The CTA and ATCO could usefully work together on defining appropriate social value criteria around the commissioning of transport services. This will ensure that some of the broader social and community benefits beyond the specific deliverables of a contract are recognised and valued in the commissioning process.

RECOMMENDATION 2

.....
We urge those commissioning transport to actively consider community transport when developing proposals for socially necessary services.

The CTA and ATCO should work together to recommend appropriate social value criteria around the commissioning of transport services.

71% of vehicles are wheelchair accessible minibuses

Concessionary travel

The concessionary fares scheme offers free local bus travel for older and disabled people in England after 9:30am.

It is mandatory for local authorities to reimburse registered local bus services (including section 22 services) for concessionary passengers. However, it is not mandatory for them to reimburse other community transport operations. We know that since 2012/13 the CTA has issued 3,333 section 19 permits; these are used by community transport organisations to run services. In the majority of cases these permits will be used on services which transport those who are eligible for concessionary travel. For many of these users the section 19 services are the only means of people getting from A to B due to bus cuts in their area. Whether an organisation runs a service is very much dependent on whether they receive reimbursement, with the local authorities creating a 'postcode lottery' across England.

We would ask central government for increased funding of community transport via local government funding streams, which can in turn allow operators to offer free travel to eligible passengers and be reimbursed accordingly. It is imperative that concessionary travel schemes do not discriminate against any of the intended beneficiaries.

All public and community transport services should be entitled to reimbursement of the concessions they offer to passengers. Such provision should apply whether the service in question is available to the general public as a whole (as with scheduled commercial or section 22 services) or available to a specific sector of the public (as with section 19 Dial-a-Ride services in Great Britain or section 10B permit services in Northern Ireland).

For community transport to be a key link in the transport network, this needs to be reviewed to ensure a level playing field.

Therefore raising the profile of community transport is key to ensuring not only the future sustainability of organisations but also ensuring that an integrated approach to transport is taken forward by commissioners.

RECOMMENDATION 3

We urge Government to ensure that all passengers are able to use their concessionary pass on agreed forms of community transport, e.g. Dial-a-Ride, regardless of where they live.





Funding vehicle replacement

Community transport organisations use a wide variety of vehicles to provide transport to the communities they serve. By far the most popular form of transport, as stated by 71% of respondents, is the wheelchair accessible minibus – the most expensive vehicle a charity can own, costing in excess of £40,000.

In terms of the type of vehicles³ used to deliver community transport, according to our survey:

- **71%** are wheelchair accessible minibuses
- **9%** are standard minibuses
- **5%** are wheelchair accessible cars
- **6%** are standard cars
- **6%** are wheelchair accessible MPVs
- **1%** are standard MPVs
- **1%** are wheelchair accessible large buses
- **0%*** are standard large buses – **2 vehicles of a sample of 2021*
- **1%** are mopeds or motorcycles.

Our survey data tells us that of the vehicles operated in community transport:

- **91%** are owned and 97% of organisations own vehicles
- **7%** are leased and 30% of organisations lease vehicles
- **2%** are hired and 25% of organisations hire vehicles.

³ Definitions:

MPV (multi-purpose vehicle): up to 8 passenger seats

Minibus: 8-16 passenger seats

Large bus: more than 16 passenger seats

Whilst there is a variation in terms of the size of vehicle fleets, the majority of community transport organisations have only a small number of vehicles, typically fewer than ten.

Of the organisations that own vehicles:

- **56%** own 1-5 vehicles
- **25%** own 6-10 vehicles
- **9%** own 11-20 vehicles
- **7%** own 21-50 vehicles
- **2%** own 51-100 vehicles
- **0%** own 101-1000 vehicles
- **1%** own 1000+ vehicles (a large national charity).

Backed up by evidence from our roadshow consultations, our members stated that with the reduction in local government funding comes the threat of being unable to replace ageing vehicle fleets. This results in higher running costs, vehicle unreliability and an uncomfortable experience for the passenger.

Organisations could cover the depreciation costs of their vehicles through the charges they make on fares. However, including unrealistic depreciation costs when charging members could go against the aims and objectives of the organisation.

An organisation may choose to use its reserves to help support the purchase of a new vehicle; however, as our survey suggests, fewer than half of our members are in a position to do this. Ensuring a healthy reserve fund is best practice for any community transport organisation; however, this fund must also cover staff costs if an organisation were to cease operating.

Average cost of an accessible minibus = £40,000

On average the organisations which responded to the State of the Sector survey had £93,131 of reserves at the start of the financial year. However, 36% of the respondents had under £10,000. For some this may represent three months' running costs, which may cover the organisation in the event they had to cease operating. However, with the average cost of an accessible minibus standing at around £40,000, this level of reserves clearly makes no provision for vehicle replacement.

At the end of the financial year, the amount community transport organisations had in reserves had neither increased nor decreased, demonstrating that building a reserves position is challenging for these organisations.

Funding vehicle replacement is increasingly becoming a major issue for the future sustainability of community transport organisations.

From our work in Scotland, we are aware of a successful innovation introduced by the Scottish Government, which provided a vehicle fund to which community groups could apply. This is a model which could be easily replicated in other parts of the UK.

We urge central government to look further into this model and to roll out a similar initiative into England, Wales and Northern Ireland. By doing so, the Government would be making a significant contribution to the sustainability of the community transport sector. It would enable the upgrading of outdated and unreliable fleets, making them cheaper to run, greener and more reliable for those who depend on the services, often the most isolated in society.

The initiative would also have a positive knock-on effect on businesses which support community transport, such as vehicle manufacturers and vehicle converters, supporting the sustained and all-round financial viability not only of the voluntary sector but also those that support it.

RECOMMENDATION 4

Government should heed the ongoing concerns expressed by community transport operators and note that, as non-profit-making organisations, they are less likely to generate sufficient surplus to enable them to build up reserves; it should consider occasional capital investment as a means of support to the sector in all parts of the UK.



CASE STUDY

The Scottish Government Vehicle Fund

- In 2013 the Scottish Government set up a Vehicle Fund to support the community transport sector in the purchase of replacement vehicles. The Fund was for grants to cover the capital costs of purchasing a new vehicle; there was no restriction on the type of vehicle but the guidance made clear that most of the funding would go towards minibuses, although smaller vehicles could be considered if a good case was made with an application which showed impact. The CTA was the first point of contact and was available to help people with their applications.
- The maximum grant available was £50k with start-ups not eligible – applicants had to have experience of providing transport. It was possible to receive 100% of costs but a matched contribution scored higher in the application assessment; many applicants showed that they were able to put some funds towards the costs. In terms of State Aid issues, the vehicle could not be used for work where the operator was in competition with other transport providers and had won contracts.
- The Fund received 130 applications, which totalled £4.1m in grant requests. The Fund made 29 awards, with grants totalling just over £1m. The average grant was £35,000. The maximum grant available was £50,000 and a few were awarded at this level. The smallest award was around £8,000 to a group who had most of the funds for a new vehicle but needed the last piece in the jigsaw.
- Of the 29 new vehicles, all were 9-16 seaters apart from one 7-seater MPV in a sparsely populated island where a smaller vehicle was more appropriate. In all, 27 of the 29 grant awards were for replacement of vehicles, and two were for new services, though from organisations already providing transport.
- All the vehicles in need of replacement were at least eight years old and most had mileages of over 100,000 miles. Green vehicles scored higher in the assessment process.





3. VALUING VOLUNTEERS

What are the facts?

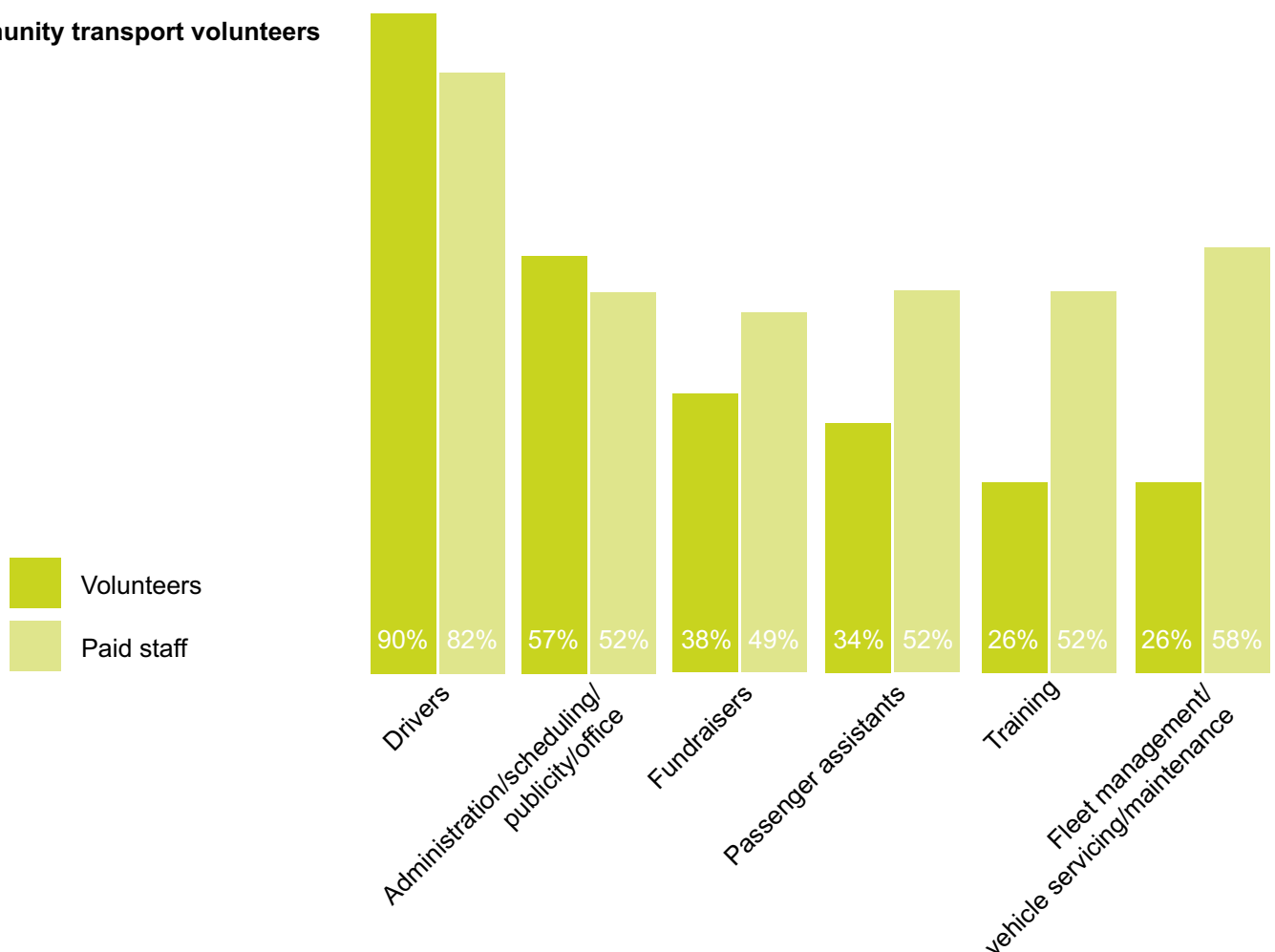
The work carried out by the thousands of volunteers in the community transport sector is as varied as it is vital. Without these volunteers, whose roles range from frontline service provision to essential work behind the scenes, many organisations would find it impossible to meet the needs of their service users. According to the State of the Sector survey the average number of volunteers working on transport services in a CT organisation is **32**, but responses ranged

from none at all (in the case of a small number of organisations with only paid drivers) to 8,500 (in the case of a large national charity).

As is evident from the graph below, community transport volunteers are heavily involved in all areas, and even exceed the number of paid staff when it comes to drivers.

In addition, volunteers give up their time and talents to serve as trustees, making a vital contribution to the governance of community transport organisations.

Community transport volunteers



45% of respondents benefit from over 50 volunteer hours per week

The figures below show the number of hours' work that community transport organisations receive from their total number of volunteers in an average week. Despite the wide range of responses, the fact that 45% of respondents declared that they benefit from over 50 volunteer hours per week demonstrates the considerable impact and value of volunteers in community transport.

Number of hours	% of organisations ⁴
Fewer than 10	15%
10-25	19%
25-50	17%
50-100	14%
100-500	24%
More than 500	6%

Volunteering: a supply and demand issue

According to all of our evidence, the recruitment of volunteers is becoming one of the biggest challenges in community transport across the country. Our survey data tells us that:

- **60%** of our respondents had seen an increase in passenger trips in 2013/14
- **78%** experienced an increase in demand since 2010
- **71%** expect further increase in demand.

⁴ 5% said they were unsure

CASE STUDY

Jonathan, office and administration volunteer with CT Home Salford

Community Transport is a national operator which serves three different areas of the country. Jonathan is a volunteer who works five days a week in their Salford branch, which provides collection and delivery services to reuse and recycle furniture in Greater Manchester. The offices are attached to a large warehouse, which holds a wide range of affordable second-hand furniture that can be delivered by *Community Transport* drivers to members of the community. Jonathan, whose responsibilities include serving customers at the warehouse, organising furniture collections with the drivers and carrying out administrative tasks in the office, first started volunteering in 2013 as a van crew member on a work programme, but changed roles: "the manager at the time mentioned needing help in the office so I made the change". The work Jonathan does is not only an excellent example of the diversity in community transport volunteering – many organisations benefit greatly from those who give up their time to ensure that operations run smoothly – but also of the variety of transport services spanned by the community transport sector.

...the biggest obstacle to meeting increased demand is the difficulty in recruiting new volunteers

Yet despite the incontrovertible evidence of growth in the community transport sector, the highest proportion of respondents – **43%** – stated that the number of transport volunteers in their organisation has not changed in the past year. It comes as no surprise, then, that according to respondents' comments, the biggest obstacle to meeting increased demand is the difficulty in recruiting new volunteers. Combining these comments with feedback at the CTA's 2014 roadshows, the most prominent issues raised were:

- An ageing volunteer workforce, which is largely made up of retired individuals
- The rising retirement age, which is creating a decrease in the number of people available to volunteer
- Restrictions on the entitlement to drive minibuses for individuals who passed their driving test after 1 January 1997.

To summarise, age is a major factor in the profile of volunteers in community transport, especially in terms of drivers. According to our survey comments and roadshow feedback, many volunteers are forced or choose to stop driving as a volunteer when they reach the age of 70 (at which point a medical check is necessary to continue driving). With people retiring later and later, the effect is that a potential volunteer may only be available for up to five years from 65+ to 70, reducing the pool of available volunteers; by comparison, some current volunteers have served for more than 20 years.

The solution of seeking out younger volunteer drivers, one that many organisations would like to adopt, is severely inhibited by current EU legislation. While drivers who passed their test before 1 January 1997 have automatic D1 entitlement (entitlement to drive a minibus, not for hire or reward), those who passed after this date and only hold the B category on their licence can only drive a permit minibus so long as they meet all of the conditions below:

- the driver is aged 21 or over, but under 70 (unless the driver has passed a PCV medical and has gained the restriction code 120 or 79 [NFHR])
- the driver has held a full B licence for an aggregate of at least two years
- the driver receives no payment or other consideration for driving the vehicle other than out-of-pocket expenses
- the vehicle weighs no more than 3500kg (this is its maximum authorised mass or maximum permitted weight when fully loaded; may also be described as the GVW – gross vehicle weight), excluding any part of that weight which is attributable to specialised equipment intended for the carriage of disabled passengers; or
- no more than 4250kg otherwise
- there is no trailer of any weight attached.



These conditions make it problematic for younger people to volunteer in community transport as it is not always possible for both the driver and the operator to meet all of the conditions. A recurring difficulty among CT providers is the weight restriction on vehicles, which appears to have no correlation with many of the vehicles used.

The number of volunteers with automatic D1 entitlement is dwindling, but the cost of obtaining a D1 licence for those without it is between £1,000 and £1,200, including training and test fees. This is simply impossible for most community transport providers to afford.

The CTA is helping to address the issue of volunteer recruitment in a number of ways. It has stepped up its communications activity and is seeking to raise the wider profile of community transport, making it more visible and attractive to potential volunteers.

This is also a challenge faced by the wider voluntary sector. Organisations such as NCVO are campaigning on general volunteer issues which also affect community transport providers, such as the rising age of retirement creating difficulties in recruiting new volunteers.

However, there are problems specific to community transport that need to be addressed if a severe shortage of eligible volunteers in the near future is to be avoided. For example, discussion needs to take place around funding options to make D1 licensing more attainable for community transport organisations with limited resources, as well as a review of unnecessary restrictions in the relevant legislation.

For example, younger unemployed people with time to volunteer would have an opportunity to gain useful driving experience as a community transport volunteer if the barrier to funding D1 training could be overcome. This may lead to a professional driving opportunity, as well as equipping them with useful interpersonal skills.

RECOMMENDATION 5

.....
The Government should support community transport to enable more young and willing volunteers to become D1 compliant.

56% said passenger trips had increased over the past 12 months



4. COMMUNITY TRANSPORT AND HEALTH

Community transport plays an important role in enabling people to access health services. For many it is their only means of getting to and from a medical appointment. Yet community transport is often not recognised as a key link in the transport network. The lack of engagement with community transport on the part of the health service is increasingly becoming a problem for our sector. This is backed up by the findings from the CTA's 2014 roadshow where health was identified as a priority issue.

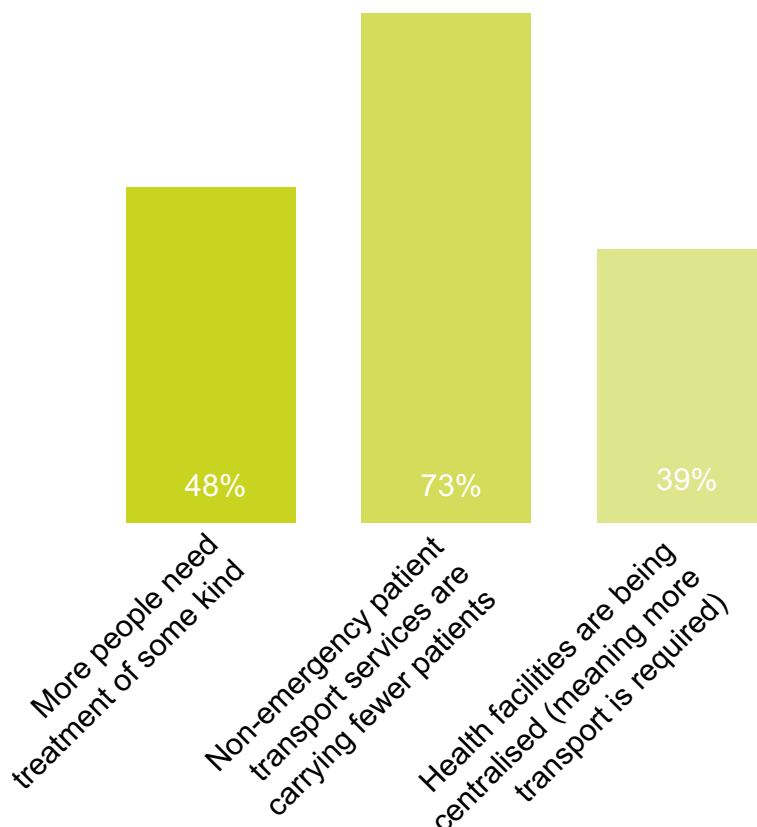
We have also identified through our State of the Sector survey that a health-related journey was the second most common trip purpose, with 74% of respondents saying that they did this. This overwhelming fact clearly shows the sector is able and willing to deliver health transport. And yet the role which community transport plays in helping patients access services appears largely unseen and unsung as far as the health service is concerned; data from our 2014 survey, 'The impact of health transport on CT', tells us that only 24% of community transport organisations that provide health transport receive any funding from the health service.

It is also clear that the number of trips to health services that community transport delivers over a 12-month period is increasing. Over 56% of respondents stated that passenger trips had increased over the past 12 months. The reason for this increase is a reduction in the number of patients carried by non-emergency patient transport services. The graph opposite illustrates this clearly.

FAST FACT: Respondents to our recent survey recorded that they had carried out over **2,125,720** health-related journeys by community transport in the last 12 months.



If there has been a change in the number of health trips you undertake, do you think this is because...?



This increase in passenger trips can be linked to the Department for Health's 2007 eligibility criteria for non-emergency patient transport which is widely used by local authorities. However, there are inconsistencies in how it is applied, creating a 'postcode lottery' for potential users. If a patient is not eligible they have to find alternative means of getting to their medical appointment.

We asked our members: *'Do you have experience of people being referred to your services as they don't meet Non-Emergency Patient Transport policy?'* A total of 51% of community transport organisations stated this was the case, offering the following explanations:

- NHS patient transport service (PTS) – direct people to us on their website, never having asked us and offering no funding.
- Patients are contacting our scheme as they are no longer eligible for patient transport.
- Self-referring – patients have been told they are not eligible for non-emergency patient transport and left to sort their transport themselves.
- Doctors and hospitals refer patients to our services.
- The patient has no other way of getting to their appointment without us.



The introduction of the Health and Social Care Act 2012 should be seen as a positive for the sector. A new structure for commissioning should, in theory, make it easier to engage at a local level. The Act was brought in to provide a basis for better collaboration, partnership working and integration across local government and the NHS at all levels.

With the implementation of Clinical Commissioning Groups, Health and Wellbeing Boards and Local Healthwatch groups, the Act also gives Health and Wellbeing Boards a duty to encourage health and care commissioners to work together to advance the health and wellbeing of the people in their area. But many community transport organisations feel they have to start over again in trying to engage with the new structure, with limited success.

Integration with health organisations is extremely important; however greater collaboration should be promoted between all commissioners and providers of services. Along with health authorities, therefore, local authority departments such as education and social services should also work together to deliver joined-up working.

There is some limited evidence that integration and collaboration can work in England.

The need for joined-up working between health and transport is vital; the strain is already being felt by community transport organisations, which pick up services where the health service cannot.

There is evidence that the sector already does a very good job in meeting the needs of users by helping them access health appointments. This is a very cost-effective way of providing essential transport, with a cost-benefit ratio which is almost certainly positive.

Whilst community transport needs are best determined on a local basis, there is a need for discussion and recognition of community transport issues at a national level. Discussions need to take place with ministers from the Department of Health, Department for Transport and others to ensure better joint working and a level playing field for community transport.

RECOMMENDATION 6

There should be better joint working between health, local government and community transport, with community transport actively considered as a fully funded option for patient transport.

60,000 calls and 30,000 patient transport service journeys pa

CASE STUDY

Hertfordshire integrated transport

Hertfordshire County Council, Hertfordshire Health Trusts and community transport schemes have worked together in Hertfordshire since 2005. In this time a number of joint partnership initiatives have been developed to benefit the wider communities and are still in operation today:

Travellink is a single point of contact service, which provides information about booking non-emergency PTS. The service commenced in 2005, initially serving residents using East & North Hertfordshire NHS Trust health services. However, in 2008 the Travellink service moved towards a countywide operation and at present handles 60,000 calls and books 30,000 patient transport service journeys per annum. From 2015 the service will be incorporated into the new patient transport services contract.

Health Shuttle scheme – The partnership has developed two ‘Health Shuttle’ transport schemes, providing residents with pre-booked, chargeable door-to-door transport, closely linked to the time of hospital appointments.

Along with the above initiatives Hertfordshire County Council and the Hertfordshire Clinical Commissioning Groups have also jointly funded a range of community and voluntary transport schemes since 2008.

These schemes provide door-to-door transport for both social and health journeys for local residents. The schemes transport residents to local health services and provide journeys to hospital appointments, especially for residents who are not eligible for PTS. Hertfordshire NHS Hospital Trusts also provide voluntary transport schemes for patients attending their hospitals.

The partnership continues and works with local authorities and NHS trusts in other areas to share information and promote transport integration and joint working.



CONCLUSIONS

Community transport in England is in good health. And, it can be argued, the health of the communities it serves is enhanced as a result of its ongoing contribution.

Staff and volunteers in community transport organisations across the country are delivering services vital to their communities. They deliver older people to meeting places, patients to medical appointments and young people to employment, education and leisure. The value of the contribution made by community transport is incalculable.

The number of journeys made by community transport may be small compared with the journeys delivered by public transport at its widest, but it is truly transformative in terms of the impact on people's lives.

Without it, older people may lose their independence and become more reliant on the state and on their families. Without it, those in need of health care may struggle to access medical appointments. Without it, those living in isolated communities may be denied access to a whole range of opportunities.

Good health is not to be taken for granted. Without proper care, community transport in England will struggle to meet the challenges it faces, as identified in this report.

Community transport sets a magnificent example in the scale of its volunteer contribution. Without action, the availability of volunteers will reduce and with it the ability of community transport to solve transport problems within communities.

It is already providing solutions to the problem of health transport in some communities; with greater recognition and improved joint working, it could do more.

The economic climate is challenging. Making decisions on competing spending priorities is increasingly difficult as resources diminish. Community transport offers excellent value; it achieves much with comparatively little. Government at all levels should recognise and value its contribution, providing funding which helps to ensure its sustainability and keep its vehicles on the road.

We commend this report to you and ask for your support in achieving the recommendations it contains.



ACKNOWLEDGEMENTS

- Department for Transport
- Ewan Jones – Community Transport Association
- John Taylor – TAS Partnership
- Steve Travis – Transport for Communities
- Anthony Travis – Transport for Communities
- Moira Hunter – wordforword design





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PUBLISHED BY THE CTA IN NOVEMBER 2014

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Registered in Cardiff no. 1985361. Registered charity no. 1002222.
Charity registered in Scotland no. SC038518.