Lothian Community Transport Services (LCTS) welcomes the inquiry into whether community transport (CT) is better able to meet the needs of the people it serves. We believe that CT has the potential to be better than it currently is, but there are barriers that are preventing that potential from being realised.

**National Strategy**

The lack of a national strategy for community and accessible transport means that there is no framework or context for funders to use when determining their support for such services. This means that it is inevitable that there will be a postcode lottery of CT provision across Scotland.

A national strategy would:

a) Acknowledge the many different types of CT.
b) Affirm the role of CT in helping Scottish Government achieve its national outcomes.
c) Confirm the value of CT in helping local communities to be inclusive, resilient and sustainable.
d) Identify ways in which CT could, where appropriate, develop into local transport hubs.
e) Examine the cost of not funding CT.

The drafting of a national strategy for community and accessible transport could also provide a mechanism for resolving the barriers that undermine the long-term sustainability of CT across Scotland.

**Bus Service Operators Grant (BSOG)**

Although the funding that CT receives from BSOG is welcome, the process for submitting claims could be improved so as to reduce costs to CT groups. At the moment, BSOG is payable to a CT group providing services under S.19 permits and also for community bus services under S.22 permits, but there are different procedures for making a claim.

The creation of a single CT BSOG claim form (covering both S.19 and S.22 services) would simplify matters, certainly for CT groups and probably for Transport Scotland.

One of the key differences between a S.19 and a S.22 BSOG claim is that there is no need for an external independent audit accompanying claims under 20,000kms for the former, but there is no such threshold for the latter.
For LCTS, this means that there could be an audit fee of £250 on an annual claim of £1,600 for S.22 community bus services: i.e. more than 15% of BSOG income goes on an audit fee.

Creating a single CT BSOG claim form would be an opportunity to harmonise, and revise, the threshold below which an external independent audit is not required, thereby making an important saving for CT groups.

**Scottish Concessionary Travel Scheme**

The cost of participation in the national concessionary travel scheme can act as a disincentive for CT groups to operate community bus services under S.22 permits.

These costs relate to the acquisition, fitting, repairs, insurance and eventual replacement of electronic ticket machines; and also the installation and maintenance of data transfer technology to a back office. Such costs were originally covered by Transport Scotland, but the liability has now been transferred to operators. Given that many CT groups are quite small, and are already struggling to maintain funding levels, this liability could be too onerous to take on.

Community bus services (which are not profit-making) operate in areas where there is no, or very poor, conventional public transport. If the cost of participating in the national concessionary travel scheme is a barrier to setting up, or continuing with, a community bus service, social exclusion is likely to be more of a problem and the physical and mental well-being of local people will worsen – with a likely increase health and social care costs.

LCTS recommends that Transport Scotland is remitted to identify how the cost of participating in the national concessionary fares scheme could be reduced, or preferably eliminated, for CT groups.

**Funding**

In general, revenue funding for CT is declining (in real terms through cuts or in relative terms through standstill funding). This, combined with the short-term nature of most funding arrangements, means that it is very difficult for CT groups to engage in any kind of mid- or long-term planning process (e.g. shared services with the NHS and/or local authorities): every year the priority is simply survival.

LCTS appreciates that the Scottish Government's concordat with COSLA ended the ring-fencing of various funding streams and gave local authorities the ability to prioritise their own expenditure plans.

LCTS has welcomed the decision by the City of Edinburgh Council and Midlothian Council to continue the revenue funding of CT initiatives that were previously funded by the Scottish Government (e.g. the Urban Demand Responsive Transport Scheme {UDRTS} and the Rural Community Transport
Initiative (RCTI)). However, one of the strengths of both the UDRTS and the RCTI was the ability to make capital grants for vehicle acquisition and replacement, whilst continuing to make three-year revenue grants. This flexibility is no longer possible given the very considerable funding pressures facing local authorities.

The lack of capital funding for vehicle replacement is threatening the continued existence of some CT groups. The cost of maintaining very old vehicles is becoming extremely onerous: costs can't always be passed onto users because they are also struggling financially. Raising funds for vehicle replacement from charitable trusts is becoming increasingly difficult, as well as extremely competitive and uncertain: many such trusts have a policy of not funding vehicles.

The Scottish Government already provides support to the commercial bus industry through initiatives such as the Bus Investment Fund. LCTS recommends that the Scottish Government consider establishing a CT Investment Fund that would support the replacement of vehicles in the CT sector.

Lothian Community Transport Services (LCTS)

LCTS was established as an independent organisation in 1991: for the previous twenty years it had been part of a larger voluntary organisation in Edinburgh.

LCTS's primary aim is to deliver, promote and support high quality accessible passenger transport services in Edinburgh, Midlothian and West Lothian. This is achieved by providing:

a) A non-profit making minibus hire service (on a self-drive and with-driver basis) in Edinburgh and Midlothian for over 250 voluntary and community groups running a wide range of services for people who are socially excluded and/or isolated (e.g. day care, lunch clubs and outings for older people, people with dementia, people with disabilities and people from ethnic minorities). The with-driver service is staffed by a mix of part-time drivers and volunteers, with the latter contributing an average of 39 hours a week.

b) A network of five community bus services in Midlothian taking people from rural and peri-urban areas with poor public transport to local shopping centres, which operates on a routed and timetabled basis. Over 90% of passengers are holders of a national concessionary bus pass, which entitles them to free travel on the community bus. The network is reviewed every year in consultation with users and Midlothian Council public transport officials.

c) A Community Driver Project in West Lothian, which recruits, trains and deploys volunteer minibus drivers on behalf of the local community and voluntary sector.

d) A suite of training services for transport providers and purchasers (e.g. driver assessment and training, passenger assistant training, minibus
e) Advice and information on the design and delivery of community and accessible transport services.

None of these services are provided at full cost: if they were, the intended recipients would be unable to afford them. The essence of community transport is that it fills gaps left by the commercial marketplace and, therefore, it needs a public sector subsidy. LCTS's core funding is provided by the City of Edinburgh Council, Midlothian Council and West Lothian Council.

For the past ten years, LCTS has been the City of Edinburgh Council's voluntary sector partner for community and accessible transport.

LCTS has a wholly owned trading company, which provides training services to transport providers and purchasers in the UK: this builds on LCTS's reputation for designing and delivering high quality training courses. Although the surpluses that are generated are relatively modest, they have become a vital part of LCTS's funding package: however, they will never be sufficient to meet all LCTS's requirements.

Lothian Community Transport Services
18 April 2013