



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 15 May 2013

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

11th Meeting 2013, Session 4

CONVENER

*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

DEPUTY CONVENER

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

COMMITTEE MEMBERS

*Jim Eadie (Edinburgh Southern) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Margaret McCulloch (Central Scotland) (Lab)

*Elaine Murray (Dumfriesshire) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

John Berry (Association of Transport Co-ordinating Officers)

Rachel Milne (Community Transport Association)

Gil Paterson (Clydebank and Milngavie) (SNP) (Committee Substitute)

Councillor Graham Phillips (Highland Council)

Eric Stewart (Strathclyde Partnership for Transport)

David Summers (Highland Council)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 2

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 15 May 2013

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Maureen Watt): Good morning, and welcome to the 11th meeting in 2013 of the Infrastructure and Capital Investment Committee. I remind everyone to switch off their mobile phones and other devices, as they affect the broadcasting system.

We have apologies from Adam Ingram; Gil Paterson is attending as a substitute.

Agenda item 1 is a decision on whether to take business in private. I ask the committee whether it agrees to take in private agenda item 3, to allow us to consider a European Union document that might raise issues of subsidiarity. I also seek agreement on taking in private any further consideration of community transport evidence and draft reports. Do members agree to take those items in private?

Members indicated agreement.

Community Transport Inquiry

10:00

The Convener: Agenda item 2 is to hear evidence from regional transport organisations and local authorities as part of the committee's inquiry into community transport. This is the third oral evidence session of the inquiry and the committee is keen to explore some of the emerging themes with those who are closely involved in local transport planning.

I welcome today's witnesses, who are John Berry, sustainable transport team leader at the Association of Transport Co-ordinating Officers; Eric Stewart, assistant chief executive of operations at Strathclyde partnership for transport; Rachel Milne, chair of the Community Transport Association's Scottish committee; and, from Highland Council, Councillor Graham Phillips, chair of transport, environmental and community services, and David Summers, transport development officer.

I invite each of you briefly to introduce yourself and your organisation.

John Berry (Association of Transport Co-ordinating Officers): I have worked at Dundee City Council for three years and previously I worked at Perth and Kinross Council, so I have worked in urban and rural local authorities. You introduced me as being from the Association of Transport Co-ordinating Officers, which is a professional organisation for local authority staff like me who work in the field of public transport, school transport and community transport.

Eric Stewart (Strathclyde Partnership for Transport): I am the assistant chief executive at SPT, which is both a regional transport partnership and a public transport authority for the 12 authorities on the west coast. We retain the bus powers and provide subsidised bus services, as well as operating the subway, ticketing schemes and various other things. Community transport is becoming prevalent for us and we are keen to contribute to the debate. I have been at SPT for six years, but prior to that I spent 20 years in the private sector bus industry, so I have a reasonable understanding of bus provision.

The Convener: I have met Rachel Milne previously, but she has not met the other members of the committee.

Rachel Milne (Community Transport Association): It is nice to see you again. In my day job, I work for Buchan Dial-a-Community Bus in Aberdeenshire, which is a community transport operation that I have been running for 13 years. It has an associated social enterprise that creates

an income for it. However, today I am representing the Community Transport Association's Scottish committee, of which I am chair. The CTA is a national charity and an umbrella group for the members, who run a variety of types of community transport, from car schemes to small and major bus schemes. My job today is, I hope, to represent community transport throughout Scotland.

David Summers (Highland Council): Councillor Phillips will do the introduction for Highland Council generally, so I will just mention that I lead the passenger transport team in the council.

Councillor Graham Phillips (Highland Council): I was elected to Highland Council one year ago, and the following day it asked me to chair the TEC services committee, which was an interesting introduction to council life.

As I am sure you all know, Highland Council covers an area the size of Belgium. After Comhairle nan Eilean Siar, it has the lowest population density of any local authority in Scotland. Compared to a Scottish average of 67 people per square kilometre, we have nine. In Sutherland, the figure is as low as 2.2 people per square kilometre. That means that we have isolated communities that are trying very hard not to die.

In some places, community transport is the only transport that there is, so it is utterly strategic for us. We support 100 public transport contracts in marginal areas and 23 community transport projects. The groups vary a great deal in size and nature. As well as providing financial support, we provide operational advice and co-ordinate training activities. We have helped several groups to develop section 22 scheduled services. Two groups hold school transport contracts, and I am aware of another group that is about to bid for one. For us, community transport is extremely varied.

We are developing a pilot integrated transport hub in Lochaber with the national health service and the Scottish Ambulance Service, and working with the school transport service. The community transport sector will be at the hub of that, organising and booking transport—that is absolutely key. We are at the point at which we have got everybody to agree to take part, and we are now trying to put together the money for a 12-month pilot with the option of a six-month extension. We are interested in seeing where that will take us.

The Convener: Thank you very much. I will start the questioning. Perhaps with the exception of the CTA, all your organisations are involved in developing either regional transport strategies or local transport plans. How do you involve community transport operators in the development

and delivery of those plans? Perhaps you have already partly answered that, Councillor Phillips.

Councillor Phillips: It is important to recognise that the community transport sector is built from the bottom up. I recognise the excellent work that the CTA has done. It has been active in the Highland Council area and there is a regular community transport forum that I try always to attend. It brings propositions to us and we do our best to help get them going—that is the best way to look at it.

It is important that we are able to help people through their developments. For example, we need community transport organisations to finance themselves as far as they can. We have encouraged a number of them to go for section 22 services, and we continue to do so. Your previous evidence sessions have covered the difficulties and cost of doing that. We lease the ticketing equipment and hardware to the operating groups at a very low cost and we provide the back-office functions for them. We also help them with their submissions to the traffic commissioner. We do everything that we can to smooth their path.

Eric Stewart: The legacy situation is that there was not a great deal of engagement with community transport but, in recent years, it has been actively encouraged. We have recently taken a framework and established a community transport network so that we now have a proper vehicle through which to engage with the sector. Over the past few years, SPT has invested nearly £3 million in stimulating community transport schemes and encouraging community transport groups to submit bids, with which we try to give them assistance. We do not put the challenge entirely on them; we provide support, engineering guidance and assistance with how to structure bids. We have done a lot of the work for most of the schemes that have submitted section 22 applications.

We are trying to take a pragmatic approach. Historically, community transport did not feature significantly in public transport authorities' scope but, with the change in environment—mainstream bus mileage is reducing and communities are getting more isolated—it is a realistic and sensible opportunity that benefits communities. As Councillor Phillips said, we provide a vehicle and technicians on a full repair and lease basis; in essence, we gift the bus. We will also pay for the services that we operate. The reality is that the cost can sometimes be significantly more competitive than the cost of employing a mainstream plc bus operator.

Community transport is, of necessity, starting to plug gaps in the market. We do not approach CT empty handed. We try to provide support with finance as well as guidance and expertise. Our

engineers, who are qualified in bus inspections and who are under contract for school and subsidised bus services, provide training so that there are pre-service checks.

A light touch is necessary, because we do not want to stymie the sector by imposing bus regulation. There is not a one-size-fits-all solution. We have community transport services operating in the centre of Glasgow. We should not presume that isolated communities are only in the Highlands. CT meets specific community needs. I do not want to be too direct, but there is a cost opportunity for the public. It is about the public purse. There is a mutual benefit.

We have now established a network—that is the name that we have adopted—but we are not simply waiting for people to come to us; we provide support, because it is now recognised that community transport is part of the future transport solution.

It is undeniable, however, that there have historically been issues. I have had a letter that said, “I am not a plc operator, so I won’t have all the wheel nuts on my bus.” We need to try to address those issues. We need a reasonable quality expectation, principally about the safety of the vehicles. It is all right writing a letter, but we need to go and give support. If an operator does not have the necessary level of understanding, we should assist them, because there is a benefit to the public purse as well.

The Convener: Are community transport operators filling the gaps or competing with private operators for routes in Strathclyde?

Eric Stewart: They should not compete with private sector operators. It is within the gift of politicians to review the regulatory environment under which we operate. At the moment, competition for one route is ridiculous, but we have many more gaps in the market than before. We should certainly not permit CT to compete against private sector operators, because that would require a fundamental review of how we deliver bus services in Scotland, although that would be welcome. Because there are so many gaps in communities, CT is useful and there are continuing opportunities. Mainstream bus mileages are going down, but the need still exists. We just need to find more cost-effective solutions.

In our written evidence, we submitted a package of measures that would be helpful for people in our operating area and would provide them with a level of support, experience and quality. I do not want that to be a caveat. I am absolutely not saying that all CT is poor, but we need to ensure that reasonable standards are maintained across the entire service.

The Convener: We had interesting and helpful evidence from Maggie Urie of South West Community Transport, who is obviously from your area, Mr Stewart.

John Berry: Community transport does not generally compete with the commercial public transport sector. It is not really designed to do that. It is strongest, and has established itself, in communities and geographical localities where public transport services are poor or non-existent, predominantly in rural communities.

That is a bit of a generalisation but, in Dundee, where I work, there is almost negligible community transport because there are excellent bus and taxi services so people do not need to turn to the community transport sector for the level of service that they need. However, if we go out to the Carse of Gowrie, which is the area between Perth and Dundee—just a few miles to the west of the city—we find a real lack of transport. People there might really like voluntary car schemes or some kind of minibus service.

The issue is that we have ended up with a patchwork of services throughout Scotland. There is no regular level of service. In some communities, community transport has become established and grown into an impressive level of service; in other parts of Scotland, there is hardly any community transport. It is a matter of luck.

Community transport has been established because somebody in the community had the gumption to get up and get going 10, 20 or 30 years ago. If we try to establish something now, particularly if a local authority tries to impose it on a local community, it is hard to make it grow because, as has been said, it needs to come from the bottom up. Unless we have the bottom-up demand, community transport does not really get going. If the demand does not exist because there are already decent bus or taxi services, there is no community transport.

The convener asked originally about the scale of involvement of local authorities and partner agencies with CT. That depends on the extent of CT in the area concerned. In Dundee, where I currently work, engagement with the community transport sector is limited, because it does not really exist. Where I worked previously, in Perth and Kinross, we had regular dialogue with community transport providers, and there were a lot of them. In little villages all over Perthshire and in towns such as Aberfeldy, Blairgowrie and Kinross, there were little groups with whom we had regular dialogue.

10:15

The Convener: Are you saying that elderly people can get to hospital or doctors appointments

on regular buses, or that they can take taxis? Are you saying to community groups that disabled people can manage on regular transport? Are you saying that that is all covered by regular transport?

John Berry: The majority of elderly and disabled people can use good public transport in urban areas. There will be a sizeable minority of people who find that public transport is beyond them, and they might look for further assistance with other means of transport, for example through a taxi card scheme or a DRT service, but not necessarily a community transport service. A DRT service could be delivered by community transport, however.

The Convener: What do you mean by DRT?

John Berry: I beg your pardon—that stands for demand-responsive transport. That is a vague, nebulous idea encompassing services that come to people when they want them, as opposed to scheduled bus or train services, which run at set times.

The Convener: Who provides DRT services?

John Berry: DRT services are provided by a number of different providers. In some parts of Scotland, they do not exist at all.

The Convener: But in Dundee, specifically—

John Berry: In Dundee, DRT is provided by the taxi trade. We have a discounted taxi card service. As the local authority, we subsidise the cost of using taxis.

Eric Stewart: A number of years ago, the CTA, working with the Mobility and Access Committee for Scotland—MACS—identified that there were 286 million unfulfilled trips annually for those who had the right to access the concessionary scheme but could not. That is a big number. In the Strathclyde area, we provide demand-responsive transport. Unlike community transport, DRT, if I may use the acronym, is never the cheapest option. Compared with community transport, DRT is an expensive solution on a pence-per-mile basis. Sometimes, it is the only practical solution, however.

There is nothing cheaper than a double decker full of people on a mainstream corridor, but that is not the service that CT and demand-responsive transport provide. We provide transport on a contracted basis, carrying more than 500,000 passengers on what is now named the MyBus service—I should say the award-winning MyBus service.

Rachel Milne: I wish to add some comments, and perhaps some challenges, to what has been said. Section 22 of the Transport Act 1985 has been mentioned by at least two people. Section 22 is not a unique panacea for all the problems. The

whole gamut of community transport, including Section 19 car schemes, needs to be thought about. Section 22 works great between areas where it is possible to have a regulated bus journey or a certain direction of travel. Demand-responsive transport relates to section 19 of the 1985 act, and we run several DRT services. All of that needs to be in our thought processes.

As regards levels of expertise, there are community transport groups that do not quite have the level of expertise that we all want, but are you telling me that the traffic commissioner would not say that many public service vehicle operators are not at that level either? As for me and my organisation, I am a fully qualified transport manager, and the same applies to several CT groups around Scotland. Several of us run PSVs as well as section 19 schemes. We run to quite high levels of quality, and we try to maintain that through the CTA and the CTA advice centres. We hope that we run to reasonable standards. Being a community transport operator does not mean that we can twist or ignore the rules—that point has to be made clearly.

I am going to argue with John Berry as well—sorry, John—because I think that urban community transport is important. I will meet Aberdeen Council of Voluntary Organisations later this week to discuss community transport in Aberdeen, which is a major issue there. We hope that through the change fund, for example, we can start to provide more community transport in Aberdeen. Many people cannot access transport and even a one-mile trip to the hospital is outwith their ability as they are housebound for one reason or another.

David Summers: In the Highlands, we have demand-responsive transport in the form of subsidised taxis or a dial-a-bus service using minibuses in certain remote rural areas. We also have community transport. To an extent, the availability of volunteers for community transport versus the availability of an interested private sector contractor determines which kind of service we adopt.

On the strategy question, which is where we started, the Highlands and Islands transport partnership has hosted meetings of community transport operators from across its area, which has fed into the production of the regional transport strategy. The initiative for the meetings comes from the community transport operators rather than from HITRANS.

In Highland Council's on-going everyday dealings with community transport operators, we are aware of the people, the organisations and the issues. That can feed into the strategy development but, when we are producing or

updating the local transport strategy, we will have a specific consultation exercise as well.

A key aspect that we need to develop—we have started that work, but a good deal of further work is needed—is that of the wider social benefit of providing community transport, which I like to sum up as the cost of not doing it. Obviously, the committee is interested in that as well.

Councillor Phillips: I want to pick up specifically on the question of section 22, because I think that Rachel Milne was right about that. I have in mind a community bus in the village of Helmsdale in east Sutherland that operates some of the time under section 19, such that community groups will hire it and travel 20 miles to go to a floral art group meeting in Golspie. The bus also runs a section 22 service for part of the day, because that was the deal that was done with Stagecoach in order to connect with the first morning service to Inverness, which meant that for the first time ever young people in Helmsdale could go to college in Inverness without having to leave home to do so. That is a terrific use of the bus, which is a flexible service that is provided by a motivated group of people.

While I am on section 22, it is worth referring to evidence that was given at previous committee meetings in which there was lengthy discussion of the question of reimbursement for concessionary fares—the 6 per cent threshold came up.

The Convener: We will come on to that issue.

Councillor Phillips: Right. I will come back to my point on that. However, I emphasise that we can take a flexible approach if we are minded to.

The Convener: Mr Summers has probably already answered my next question, but perhaps the others can pick it up. Do any of your organisations assist in the planning, co-ordination or scheduling of community transport services across the region or the authority? If so, how does that work in practice? Mr Summers has already said that Highland Council does that work.

David Summers: We recognise that community transport must start in the community and grow from within it. It is therefore not so much about our assisting with scheduling and more about our helping the community to form its ideas, proposals and initiatives. We will review that when we consider funding and ask whether a scheme meets council objectives or overlaps with existing provision and whether we are interested in funding it. The result might be two thirds yes and one third no, but we very much look to know what the community's solutions are rather than to impose a top-down solution.

We carry out community consultation on our contracts, but when we award them we determine

what the service is. That is the major difference between our support for private sector and voluntary sector operations.

John Berry: I agree that community transport should be designed by the community transport providers; in other words, the voluntary sector should design what it wants to deliver. Given that, it would be almost improper for a local authority to insist that a provider do this or that.

It is down to the groups and communities to plan, schedule and design the service. A local authority might come along and say, "We like what you're doing and will help with funding and support"; however, in the approach that we generally adopt, we do not dictate, demand or request certain things.

Eric Stewart: As John Berry pointed out, the bid and stimulus come from the community transport groups, but in certain areas where there is a smaller presence and where there are gaps in the market, we have provided the stimulus. As we are still at an early stage in the development of community transport, I do not think that there is a consistent, defined standard for consulting on such issues. As we speak, opportunities are being developed in areas that have no community transport.

Although there is a need for some bus provision and although I hear what others have said, I have to say that this is not just about buses; we support car schemes and many other approaches. I qualified my remarks strongly by saying that I was not making a general comment about quality; there is good and bad, and bad is simply not acceptable.

There is a plethora of opportunities, but I must point out that this is all about people engaging with one another. By and large, community transport is stimulated by community transport providers or the community itself, but at times we provide the stimulus and encouragement. Again, we will ensure that funding is available to give the necessary kick-start. We are not expecting some tooth fairy to fly in and fund these things; we will stimulate them properly.

Rachel Milne: Around Scotland, local authorities and other statutory organisations fund, support and assist community transport in a variety of ways. None of them is perfect and none of them is wrong. Community transport's strength is its diversity and the fact that it fits the community's needs. The people round the table have acknowledged as much and are trying to work with it. My only concrete statement on the issue would be that imposing some set way of doing such things would be detrimental.

The Convener: That leads nicely on to Alex Johnstone's questions.

Alex Johnstone (North East Scotland) (Con):

My first question is informed by much of the information that we have already received. Councillor Phillips has said that there needs to be a bottom-up arrangement; Mr Stewart has said that one size does not fit all; and other panel members have made similar comments in some detail. However, previous witnesses have indicated their support for the development of a national community transport strategy. Are those two approaches inconsistent?

Councillor Phillips: A strategy is fine to the extent that we need to define the outcomes that we are trying to achieve and the means by which we will achieve them. As for operational delivery, however, you really do not want to do that from the centre. The conversation about a particular community's needs and the social outcomes that you want to achieve is best handled locally.

Strategically, we must recognise that accessibility, connectivity and making general facilities available across the whole spectrum are national issues—as is funding, by the way. However, the question of what needs to be done in a particular place cannot be addressed from the centre. For a variety of communities, the issue is quite simply distance from the centre or just absence of transport and there are places such as Durness and Tongue and Kinlochbervie on the north-west side where access to medical facilities is difficult. If you are ill and need help urgently there, you are more vulnerable than you would be in an urban centre because it takes so much longer for anything to get to you. Survival of the community itself is a questionable issue in such places. There are always villages that are hanging on, but the most important thing that can be done is to put in a community bus of some sort, which gets people out and around and connecting and mobile.

10:30

You can find yourself funding activities by accident that were not in the original transport specification, so you have to look locally rather than nationally at the operation that you are invited to fund. You understand what is going on, you look at its overheads and you start asking questions if you think that they are too high—as we did in the case of the Badenoch and Strathspey Community Transport Company, from which you took evidence in a previous session. We found that we were cross-subsidising other activities that were laudable but which we did not intend to fund from the transport budget. By taking that into account and reducing the fund that we put into that activity, we found funding for five more organisations in the last budgetary settlement.

Local understanding is vital to making community transport work. If you tried to do it from here, you would not understand the operations that you were dealing with. You would not be able to understand the complexity and the local variety and you would not be able to respond effectively.

Eric Stewart: The local content and the variability of areas are an important feature, albeit that SPT has ended up looking after about 42 per cent of the Scottish population, 12 local authorities and around 60 per cent of public transport trips. We have endeavoured to provide a framework—we have a community transport network in our quality framework. However, that is not to say that there should be a national agency for community transport. There would be difficulties because, even in our area, North Lanarkshire has unique requirements and South Lanarkshire, although it is partly conurbation, has huge areas that are very rural. In North Lanarkshire, we are looking at things such as school meals whereas not so far away, the Isle of Arran has a huge problem in coming up with a solution that brings in community transport. When it has a ferry arriving, it practically needs a double-decker bus, but the rest of the time it just needs a small bus.

There is not a single solution. We have endeavoured to put in our own content regionally under our overall framework, but we do not define how the car service or the bus service should be delivered. We engage with our elected members through the partnership board and with the community transport groups, but we do not have a pro forma for how to deliver community transport. We look at each individual bid and at whatever is appropriate.

We see that there might be a need for a national framework for reasonable quality and good governance—without the framework being onerous, because that would stymie the whole sense of community transport, with volunteering and everything that comes along with it. There might be an opportunity to have a national set of reasonable standards but, certainly in our experience, the delivery has to be done very much on local content.

John Berry: I advocate that you think about the idea of a top-down approach in respect of a particular strand of community transport—community car schemes. Those schemes are generally the most likely area of growth in the community transport sector because we are talking about people volunteering to drive their own cars and taking other people around in return for a mileage payment, which is currently in the region of 45p a mile. That is what HM Revenue and Customs recognises as a mileage rate acceptable for reimbursement without someone making a profit.

I have been discussing and thinking quite a lot about how we could change community transport provision across Scotland. That issue is covered in appendix 2 of our evidence. I mentioned that that provision was patchwork. Some areas have established community transport that is great; other areas have nothing.

There is a sense that people do not understand community transport. It is a difficult concept to get your head round. Am I allowed to use it? Where can I get it from? Who do I phone? It is a service that people do not know well, unless they have used it before or they have been signposted to it. As I said, a community might say that it has a fantastic car scheme in Blairgowrie or that it has a scheme that everyone knows about. Generally, however, there is a lack of understanding of the concept of community transport and how to access it.

The ATCO submission, which I admit was mostly penned by me, advocates an approach that would be almost like a national brand for volunteer driving with national conditions, so that everyone would, for example, be vetted in the same way and receive the same mileage reimbursement rates. I hope that that would attract people who have cars to offer trips. There are not only social and altruistic benefits for people to become volunteers but financial incentives. Running a car in a rural area is not cheap. It costs thousands of pounds to keep a car on the road, especially if one drives a lot of miles. If a person is paid a mileage allowance, some of that money can be used to offset their standing or fixed costs of owning and running a car. Buying a car in the first place is a big part of the costs, but the fuel and wear and tear are a fairly small part of the costs. Therefore, if the rate is 45p a mile and a person drives someone 50 miles, which would be a 100-mile round trip, they would get £45 back. That is an attractive amount.

I advocate a pretty radical top-down approach in which there could be a network of volunteer drivers who abide by the same rules and make themselves available. That would need to be well branded and advertised. Volunteers would have to be advertised for, but the product would also need to be sold because people who might use the service would have to be told that it exists. There are lots of people out there who do not really understand or know how to tap into community transport. There is the potential for a top-down approach with community cars in which volunteer drivers run their own cars. However, I would not go as far as to say that there should be a top-down approach with minibuses or minibus operations. I saw the sheer volume of submissions that the committee received for the inquiry, but I recommend that you look at that idea and see whether you want to explore it.

Rachel Milne: Where do I start on that question? I tend to agree that there is a need for a national strategy on community transport. My Lothian Community Transport Services colleagues made four or five points in their submission on what a new strategy would do. I ask that you have a quick look at it, because it covers the basic ideas of how we would like to see such a strategy.

I completely disagree with the idea of nationalising car schemes, because I think that that would come under the reregulation of bus services—we might as well rip it all up and start again.

We covered earlier the idea that communities should be free to do what they need to do. I totally agree that there should be quality guidelines written into a national strategy, which would apply to all schemes, whether related to cars or buses. I also hope that funding would be written into a national strategy, so that we do not just have a nice, pretty, pink and fluffy brochure that says, “This is our strategy. How you do it, we don’t care.” Rather, it should say, “This is what the national strategy is; this is what will be given to each local authority and statutory organisation to encourage them to do it; and these are the guidelines.”

Alex Johnstone: That was an interesting range of views, which will keep us thinking for a while.

I have a question about ATCO’s submission, which mentions the monitoring and evaluation of the social and economic value of community transport. Why is that necessary and how might it be achieved?

John Berry: An issue that we often talk about is funding. The community transport groups ask the funders—who might be local authorities or the NHS—whether they can have some money or whether they can develop their services. There is often dialogue about how we fund services. As funders, we want to know what we will get back. That is why I think that we need to adopt a national approach even to measuring journeys.

For example, someone might say that my coming to Edinburgh today is one trip, but I might say that I have to go back to Dundee this afternoon, so I will have done two trips. People measure things in completely different ways. At this stage, we do not have a proper feel for the quantity of trips that are being undertaken across Scotland. There are numerous schemes, some of which are well known to us and some of which are slightly under the radar. Should the Sunday morning trips of a little friends-of-the-church group be counted? It is important that we try to count and monitor the quantity of journeys.

It is also important that we try to put a value on that. We often talk about the social return on

investment—in other words, what we get back. We talk about people being able to stay in their homes for longer if they have access to good transport. That might delay their ending up in a care home—and all the extra costs that that entails—by a year.

It is extremely important to have a good feel for the number of trips that are being undertaken. Some groups are very good at measuring that and can say straight away, “We did 77,000 trips last year,” but we also need to have a better understanding of how we value those trips. I know that Highland Council commissioned Derek Halden Consultancy Ltd to look at that very issue. That is probably valuable work. When we look at the value of community transport, we must try to understand what it does for people beyond the trip itself, if that makes sense.

Alex Johnstone: It is inevitable that there will be a cost associated with that. Is there a danger that such monitoring might have a cost for community transport operators, either financially or in the time that it would take volunteers?

John Berry: I do not think that recording the number of trips would be a massively onerous task for any community transport organisation. My point was that we need to ensure that everyone records trips in the same way. We need to decide whether taking someone to hospital should be recorded as one or two trips. One group might say that it did twice as many trips as another did last year, but we might find that the reason for the first group saying that it did 10,000 trips and the other one saying that it did 5,000 trips is that they do not count trips in the same way. There is not a uniform approach to measuring the number of trips. It is important that we have an approach that involves people counting in the same way. I do not think that it would be onerous on any community transport group to keep a record of that. The vast majority of them probably already do so, and those that are being funded will have to.

Rachel Milne: The counting of trips is very important and—John Berry is right—it is not onerous to do. However, we should not view one group that did 10,000 trips as being better than another that did 5,000, because those 5,000 trips will have been just as important to the clients in the relevant communities. In addition, it could be the case that someone needs to do a 60-mile round trip for a three-hour hospital appointment. That is just as important as 10 clients going out for their shopping. All community transport trips need to be looked at from the point of view of a social return as well as that of a financial return.

A conversation that I have had with colleagues in CT groups has been about how it would be helpful to carry out what would almost be a negative impact assessment. That would involve asking what the cost would be to the social

network and to the health centre of not providing community transport. Yesterday, one of my colleagues sent through figures that showed that, in most cities in the United Kingdom, the cost of an annual bus pass is about £650. If we take account of some of the costs of bringing in a doctor, a nurse or a home help, as well as the costs of meals on wheels and missed hospital appointments, we could double that.

If we are going to look at the value of community transport, we need to take a holistic approach and look at our value to everyone, including to social work and the NHS. It is an all-round problem for the whole of our communities, not just the elderly person at home. There are impacts on their family members, right down to a five-year-old child going to school. We need to look at the all-round costs.

10:45

The Convener: We are trying to take a holistic approach. The Health and Sport Committee is looking at health aspects of community transport and later this month is holding an evidence session on it. The Rural Affairs, Climate Change and Environment Committee has been involved, as well.

David Summers: I agree very much with Rachel Milne and John Berry on the wider benefits. I have used the phrase “the cost of not doing”. The research that John Berry referred to was by HITRANS, rather than Highland Council. There is a brief summary of the findings at the back of our submission. That was very much seen as a toe in the water—a first step to measuring the benefits. There is a lot of anecdotal evidence of the kinds of benefits that others have mentioned, but there is very little hard evidence. If community transport is saving health service money, for example, whether on missed appointments or higher-level care, or if it is enabling people to take up employment, those things are not nearly as easily measured as the number of journeys, but they are very important for understanding why community transport is there.

In some councils, there have been significant cuts in community transport funding recently, including at least one of the projects that was covered in the HITRANS study. It might be interesting to revisit that and measure the negative cost, as Rachel Milne put it.

This area could be looked at through research nationally. It might be joint projects between the regional transport plans, or it might be research at national level—say, by Transport Scotland—rather than details of individual schemes. There could be a national opportunity there.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I want to move on to the subject of vehicle

purchase and replacement. In a previous evidence session, we heard from Lothian Community Transport Services. It said:

“The lack of capital funding for vehicle replacement is threatening the continued existence of some CT groups.”

Mr Stewart, you touched on some of the support that SPT gives to the sector. I am keen to understand the level of support across the country for the purchase of community vehicles.

Councillor Phillips: I have read the evidence that has been given. I agree that the fleet is ageing and that community transport groups need a longer-term horizon than they currently have. In our written submission, we mentioned the Kinlochbervie-based group, which decided not to buy a second bus. It had an admirable business case, but it could not see itself as a going concern more than two years ahead.

We are exploring whether, as a council, we could acquire vehicles and lease them to CT groups, to take that burden off them. We have to look at that in our own budgetary process. We have very substantial further public sector spending cuts coming down in a couple of years, so we have to be very careful about what we commit to. We are anxious to look at that and see whether it is a way to take the burden of big-hit capital purchases off the CT groups.

I saw in the evidence from the CT sector that there was a general objection to leasing. I do not see why that should be.

The Convener: I am not sure that it was an objection. It was just that CT groups could not lease because they could not guarantee long-term funding.

Councillor Phillips: That brings us to the point that we need a longer-term funding horizon. Everybody needs to see five, six or seven years ahead. If we are to acquire a national strategy for community transport provision, it should also be possible to plan strategically for the financing of it, to allow us to put things on a more stable footing. That is where the strategy and funding questions come together.

Gordon MacDonald: Excluding the subject of leasing, does Highland Council provide capital funding to groups in the area to help them to purchase vehicles?

Councillor Phillips: I will ask David Summers to answer that, as he has been doing this for longer than I have.

David Summers: The grant scheme that we run was largely inherited from the Scottish Government's previous rural community transport initiative, which was open to capital and revenue.

Most of our funding is revenue, but on occasions we have made capital contributions.

Eric Stewart: When I referred to leasing, I was simply talking about the legal control of the vehicle. The vehicle is gifted—it is not a chargeable lease. We grant the vehicle at no cost. We provide a mix of capital and revenue support, where it is appropriate, even to the point of making a contribution towards a people carrier, if that is the right solution. The vehicles have to be monitored and maintained properly, although we try to make that different from a very heavy maintenance regime. For example, if a vehicle is bought from Arnold Clark and Arnold Clark says that it must be maintained every 10,000 miles, we say, “Please do so.” That is the level of control.

We have put about seven or eight vehicles into community transport schemes. At present, we are talking with the CTA about vehicles that we have been using with more mainstream contracts that are working too hard, although they could do a lighter-duty cycle. Some buses are forecast to do 200,000 miles in 18 months, which is perhaps a bit heavy for the type of vehicle. We are speaking to a colleague of Rachel Milne about gifting those buses to replace more elderly vehicles. We will provide a support package, so that we do not put a burden on an individual group.

Where appropriate, we will access capital to gift a vehicle. The need is greater than the number of buses, so we do not have a problem with being stuck with a bus after two years. No way—we will always find a home for vehicles, because there are so many gaps that need to be plugged. We will provide revenue support or a vehicle, if that is the request. In the odd cases where we specifically want to plug a gap, we have suggested that a group take a bus and that we will give revenue support. The bottom line is that, if a mainstream bus operator wants to do it, it should wire on in, so we are never in a contentious situation.

Gordon MacDonald: To be clear, is it the case that you purchase a vehicle and then lease it to a community group at no charge? Given the long-term nature of SPT, why do you not lease vehicles from a supplier and then lease them on to community groups?

Eric Stewart: We tend not to lease vehicles; we tend to procure them and continue to use them. However, we will grant fund a community group to buy a vehicle, if that is more appropriate for it. We do not have a strict formula. At present, we own about 108 vehicles that are given out on MyBus contracts—the demand-responsive contracts—or on subsidised bus contracts. We own them and we have a replacement programme. We schedule replacement either at 350,000 miles or within seven years.

There are other reasons for that. In part, it is about moving up the quality threshold generally. Sometimes, when we place contracts under the procurement rules, we do not have the ability to define the bus, so we have old high-floor vehicles, whereas our policy is to bring in low-floor vehicles. We have applied that policy to community transport. As a policy, we buy a vehicle, run it over seven years or 350,000 miles and then replace it.

We monitor the number of low-floor vehicles that are compliant with European emissions standards. With our 108 vehicles, we are actually bigger than some operators. That investment has moved the bar up on European compliance. There are other wee spin-off benefits from that public sector investment in vehicles—it lifts the quality threshold.

The type of support is considered in the round; we do not have a one-size-fits-all approach.

Rachel Milne: Leasing in general is not a problem—across Scotland, CT groups are quite happy to lease—but there are a couple of issues with it. First, leasing involves a culture change for us. Many small community groups were used to the old system of rural community transport initiative grant funding, which involved finding the money, buying the bus outright and then dealing with the maintenance costs for however long was required. For example, one of my buses is 13 years old.

The other side of the issue relates to the spec provided by whoever leases the vehicles. For example, if Highland Council leases the vehicles, does it create one specification? In itself, that leads to all sorts of problems. For instance, for some of its runs, Aberdeenshire Council leases Optare Aleros, which are beautiful buses for running in the city but dreadful for running in the country—they will not go up farm tracks and they are just awful. Therefore, who makes up the spec is an issue.

Our organisation up in Buchan has four different specifications of buses, including the multipurpose vehicle. For example, we have some in Aberdeen city and we have some that service different groups. The bus may need to accommodate one or two wheelchairs or different handholds, depending on the client group. Although you can create a spec that covers most situations, you cannot really make community transport generic.

Therefore, capital funding is vital. The Lothian Community Transport Services submission is right on that. I have sat in meetings with John Berry at which the two of us have said that we have a bus that is about to go. I can understand why some groups are looking at just shutting their doors because they cannot afford a replacement. Buses

can cost anything from £39,000 to £50,000 to replace, which is a lot of money for a small group.

Councillor Phillips: Vehicles can be leased one at a time, so I see no reason to impose a spec on anybody. The spec would emerge from a sensible conversation with the group in question about its ambitions for the service that it needs to offer. I think that we do not have a practical problem as long as we behave in a sensible manner.

The reason why we are currently looking at leasing is that we recognise that we have ageing buses that need to be replaced. We have been trying to fund a greater number of groups for their operating costs, rather than a smaller number of groups to build their vehicle replacement funds, because we are keen to spread the service as widely as possible. That has led us to the point where we need to think about leasing, and providing support for that is the next step.

Gordon MacDonald: When the rural community transport initiative was closed, the funding was rolled into the local authority block grant. However, local authorities were required to honour the Scottish Government's on-going funding commitments to rural community transport initiative projects following the closure of the scheme. How has the level of local authority funding changed since the scheme closed in 2008?

John Berry: I hope that we will have a bit of unanimity on this issue.

Because the money was ring fenced, the RCTI and its urban equivalent the UCTI were really good news for the community transport sector. As soon as the money was given over to local authorities under the concordat, it was almost inevitable that, if not today or this year or next year, the funding would be chipped away at over a number of years.

Obviously, the budgetary situation has changed since 2007, so the RCTI and the UCTI might have been on a shoogly peg anyway because of other budgetary constraints. However, in giving the money over to local authorities, there was always the danger that, in their decision making, local authorities would see statutory responsibilities such as social work and education as more pressing priorities than supporting community transport.

I would say that, in local authorities across the board, there has been a chipping away at the money that is given to the CT sector. That is a shame. A definite benefit of ring fencing was that you could say, "This funding is for this specific purpose." I fear that what we have seen over the past six years and will continue to see is a chipping away at community transport budgets. I

imagine that community transport people would love it if ring fencing returned and we were able to say, "This budget is for that particular purpose."

11:00

Eric Stewart: Although that might be generally true, I can say without having the figures to hand that our investment in community transport has increased since the introduction of the RCTI. It is becoming a pragmatic solution and indeed is something that we would consider in our overall examination of how we might address market and community needs.

Just in case you think that I am heavily labouring the point, I point out that I am talking about not just bus provision, which is of course a big focus, but car schemes. I would certainly say that we have increased our investment, but I accept John Berry's remark that in general there must be strains across the area.

It might sound as if we are being really nice, but the fact is that we are fulfilling a need. Community transport is part of a practical solution. After all, we are not in the game of putting in more investment without getting a return.

Gordon MacDonald: Is there any reason why, as Mr Berry suggested, other local authorities are not seeing the benefits of investing in community transport?

John Berry: I go back to my point that community transport is a difficult concept to get your head around. If you say, "Let's save this bus service," politicians will rally to the cause, but if you say, "Let's save this community transport service," people find the concept more difficult and might not campaign for it in the same way.

The danger is that, as the Cinderella service, community transport will be put to one side and forgotten about. The ugly sisters—the public transport sector and the taxi industry—will get all the glory and funding, and Cinderella will be left sitting there, saying, "What about me?" As I have said, the difficulty is that community transport is a difficult idea to get your head around.

Perhaps I have seen too many pantomimes, convener.

The Convener: Perhaps the problem is that there should be a focus on outcomes. Councillor Phillips mentioned difficulties in funding such services out of the transport budget, but surely by looking at these matters in purely budgetary terms councils do not focus on outcomes and the wellbeing of their communities and citizens.

Did you wish to respond, Mr Summers?

David Summers: I wanted to respond to the question on RCTI and post-RCTI funding.

When the RCTI was wound up, some two-year or three-year agreements ended at the same time while in others there was an on-going commitment. Money was handed to councils to cover the on-going commitments but not those that were ending, even though the needs that they met still existed. As Rachel Milne makes clear in her written submission, there was no exit strategy because the needs were still there.

Highland Council addressed the issue by finding from its own resources money to replace the schemes covered by the agreements that had ended as well as to continue the on-going commitments. Since then, the budget has declined. I do not have the exact figure for 2008 but I believe that the level of funding is still the same as that handed over from the RCTI. I note, however, that we had an uplift for some time.

Eric Stewart: I will give the committee a publicly reported example to show the economics of using community transport. The best price that I could get from a mainstream bus operator for an early morning and late evening service involving hospital workers was £72,000; we now deliver that service through a well-known community scheme in East Ayrshire. We provide the bus and cover the operating costs, and the overall cost is £24,000.

Rachel Milne: Coming back to the convener's point about outcomes, I probably risk a slap from one of the guys beside me, but I think that one of the issues with councils is that they are looking at the majority of their clients. Community transport, by its nature, operates for the minority—the very small number of people who fall through the sieve of public transport, taxis, cars and all the rest of it. We catch them. They are the ones whom it is easiest to ignore, so Cinderella is the right term. We are the Cinderella of the transport industry. I like that phrase—I am going to adopt it.

That fact is what makes it so much harder for local authorities to justify funding us. Until something like a negative impact assessment is done, councillors will never have the weapons to go to their accounts departments and say, "We need a couple of hundred thousand pounds." It does not cost much to fund us. On one hand, someone is looking for £200,000 for a bus for grannies; on the other hand, the children are not getting their school books. Which one is a councillor going to vote for? It is a no-brainer.

Councillor Phillips: I am going to upset Rachel Milne and agree again.

We really do get it: we are taking a paper to my committee tomorrow, proposing a research project to quantify the social benefits of CT. The proposition is to start such a scheme in a community that does not currently have one, try it

for a year and measure the difference that it makes. We sometimes have to do a little bit of lab work.

I am aware of the work that was done by the Nordic Council in collaboration with the EU on the question of infrastructure investment in remote rural communities. They discovered that there is a tangible, measurable migration into rural areas if certain things are put in place. I originally looked at that work from a roads, infrastructure and telecoms perspective, but I am going to go back to it and see what I can learn from it from the perspective of public transport and CT.

The work was done by the University of the Highlands and Islands for the Nordic Council. If I find anything in that work, I will pass it to you so that you can take it into account. We should learn from all the bits of work that have been going on.

Gordon MacDonald: I have one last question. Highland Council has suggested that the Scottish Government should take responsibility for a vehicle replacement fund, which would be conditional on wider community availability. I am keen to understand whether that idea has widespread support. How would it operate and who would administer it? What level of funding would be required to keep 300 community transport minibuses on the roads?

Councillor Phillips: At the moment, we provide £417,000 a year for community transport, which is spread very thinly. We have already discussed vehicle replacement, which is an issue. If a community comes to us with a proposition for support and brings us its entire operating model—what the costs will be and what the likely income streams will be—we will decide whether it is viable and how we can support it. If leasing costs are added to that, it is money taken out of the cash that we could give to other groups where we might like to expand to support new schemes and where we would be aiming just at the operating costs—the maintenance, perhaps the payment of drivers, the fuel costs and so on.

Every time that we look at a new scheme, we look at the total capital cost, the total operating cost, where the income will come from and what subsidy will be required to keep it going. We also need to factor in any shortfall—if the scheme is to provide section 22 services, we model in any detriment that arises from the 60 per cent reimbursement rate. In your previous evidence session, John Moore gave the example of 95 per cent of a service's usage being by people on concessionary fares. Such situations can result in a substantial shortfall in revenue.

We need to look at the whole operating model. If we could take vehicle replacement out of the equation and we still maintained the operational

funding that we have, we would be able to support far more groups. I am certain that we could double the number of groups that we support across the Highland Council area without anybody noticing or feeling that there is overprovision anywhere.

Let us consider a map of the Highland Council area and think of the A9 and the A96 and A82 as forming a cross down to Fort William. If a person goes off those routes, there is no public transport at all. There are thousands of square miles and thousands of people with absolutely no access to meaningful public transport of any sort. There are huge gaps. You are researching gaps and so are we. That is the next job that we have to do: we are trying to quantify the size of the gaps. Any help that we can get from central Government to support any of that will be gratefully received.

We are aware of the criticisms from Audit Scotland of the duplication that exists. There are NHS vehicles, ambulance service vehicles, school buses and community transport, and there is a lot of duplication. It was suggested that the vehicles could be used more efficiently, and we are alive to that. I have told members about the Lochaber pilot that we are about to get going. We will pool all the vehicles, the community group will handle the bookings, and we will try to get more bums on more seats more often, more flexibly and more cost effectively.

We are looking at that approach from a tactical perspective in order to see whether we can use our assets better, but there is still one heck of a shortfall in respect of what we currently have and what we could reasonably provide to bring very fragile communities up to a meaningful level.

What gets me up in the morning is not having a community transport scheme or running a council budget but trying to reverse the population decline in my county, trying to prevent young people from having to move out, and trying to prevent old people from going early into care homes perhaps 40 or 50 miles away because there is nothing in their area. We want stable and sustainable communities in places that, to be honest, transport funding does not reach. Any help would be gratefully received.

Rachel Milne: Providing vehicles and maximising the use of resources are great ideas. Aberdeenshire Council tries to do those things. I read its submission this morning. It has 60 minibuses in total and 316 hires overall to non-council affiliated groups, which is only five per bus. That is a vast underuse of resources. Our buses are used by all sorts of community groups, such as the local guides and people in sheltered housing. As long as the group is a community group and can prove that, it can use our buses.

That brings me to the issue that I have with a council, for instance, providing a vehicle and saying, "Right. You have to use it for everyone." How is that monitored? How is that managed by the permit system? We have section 19 permits for the vehicles; the groups that use the vehicles must be our members, which means that we can monitor quality and ensure that we are within the law. If a council says, "You have to use the bus," we will have to work on who has the right to do so. The organisation that owns or runs the bus has the legal responsibility in the long run. That is a major problem.

There is also the issue of potential private hires and therefore the issue of coming up against the commercial sector. We are very careful not to alienate the commercial operators, as are community transport groups in general. If there is a wedding party, a private hire needs to go out, but if a local knitting group is going to a museum, there will be a community hire. Those uses are clearly delineated, but if the council told us, "You have to open the vehicles," who would oversee that?

John Berry: I think that the cost was asked about. I will give a figure. Some £1.5 million would pay for the renewal of 300 minibuses on an eight-year cycle. I am basing that on Rachel Milne's figure of around £40,000 for a minibus. That works out as £5,000 a year over eight years and, if I have done my sums right, 300 minibuses times £5,000 a year is £1.5 million.

In the Government's capital spend, a lot of the transport money goes on projects such as building bridges and rail schemes. Community transport provides a vital service that makes a real impact on people's lives locally, and for a fairly small amount of money in the big picture—I will say £1.5 million—we could have 300 minibuses operating in key rural communities throughout Scotland, which is where the need is greatest.

11:15

If you ask me whether I want three minibuses for Dundee, I would probably say no because of the very issue that Rachel Milne just outlined. Aberdeenshire Council has 60 minibuses and they are each used only five times a year. Some buses that belong to city councils are underutilised, while in other communities there is a desperate need for a minibus. In a rural village or community, having a minibus on tap is really quite an advantage. If we were looking at 300 buses for Scotland on an eight-year cycle, it would cost £1.5 million per year.

Councillor Phillips: To pick up on the issues that Rachel Milne raised, the pilot that we are running in Lochaber is a joint operation and the

community are part of it. The work plan has been put together jointly by us, the community, the NHS and the Scottish Ambulance Service, and we are seeking to sort out the issues as we have recognised that they must be dealt with. The point of the pilot is to work out how we do that and learn from it.

In the previous session, the question of insurance for different groups was raised. Those are problems that we can fix, for heaven's sake, and all the organisations are coming together with the mindset to do that. We have to let them work out where the problems are, capture the data and see what we can roll out elsewhere. If that works, it will be terrific.

The Convener: We need to move on. Gil Paterson can go next.

Gil Paterson (Clydebank and Milngavie) (SNP): I will make an observation first. Rachel Milne, you said that you are going to adopt Cinderella. Well, it seems as if you have your colleagues as Prince Charming, because they appear to be on your side and to agree with you.

On costs, one of the pressure points—our barriers—is the D1 licence. We have heard evidence from others on how that issue impacts on the training of volunteers. Do you have any views on the capacity of organisations such as councils or national authorities, or even big transport operators, to assist with that? Are any of you assisting in that area?

Eric Stewart: One aspect that we are trying to develop is the public social partnership—PSP—model of social enterprise. The D1 licence has been highlighted as a fundamental future risk to the community transport sector, and we are trying to bring in as many partners as we sensibly can. While we might be able to source a vehicle and fund some training, the cost of getting that licence privately is now £500, £600 or £700—

Rachel Milne: It is double that.

Eric Stewart: There you go—it is double that, so it is a very expensive proposition.

We are trying—although it will not be a panacea—to use the PSP social enterprise model. We have already spoken to some of the big bus companies about the endgame. If we work with someone who starts as a volunteer and bring them through the D1 licence to get their passenger carrying vehicle—PCV—licence, the companies will guarantee an interview at the end. There will not be a guaranteed job, but at least there will be a process for those people.

That is a matter of choice; it will not suit everyone. People may just want to be a car scheme volunteer, but there will be opportunities for people who want to continue through to better

employment. It will involve ones and twos, but at least there is a starting place, and through that model we will be able to fund a vehicle and provide some additional funding for a trainer.

The training will be done over a much more protracted period than it would if we paid £800—or £1,500—to get it from a private sector provider. Community transport services can be delivered through a car scheme, but people need the D1 licence. The system is now even more complex, as it involves the weight of the vehicle and the tail lift.

I do not know whether Gil Paterson was referring to us as Prince Charming or one of the ugly sisters, but the endgame for us is getting more resource to provide a pool of drivers that we can use for the benefit of the community. We are keen to develop the provision of D1 training in the west of Scotland and bring people through it without having to spend a pile of money.

It is a matter of collaboration. We can all take firm positions on the issue, but there is no fixed formula. Community transport is developing and we are still finding our feet in certain areas. The D1 licence is emerging as a longer-term problem for the sector.

In the Strathclyde partnership for transport area, we will certainly look at providing some assistance for small-scale provision of D1 training. We are not going to provide a replacement so that thousands of people can save themselves £1,500, but we will provide some kind of support. It is being worked up just now, so we do not have absolute clarity on it. However, D1 training is an area of growing concern.

Gil Paterson: Will you use certain criteria in setting up the training? You said that you will try to avoid training people who seek a back door to employment and that you want to train volunteers to deal with the current pressure point. Will you have criteria to ensure that the clientele will come through the voluntary sector?

Eric Stewart: That is certainly the idea. The process is driven by people who have spent a lifetime in the voluntary sector and who have identified where the need is. However, your point is a good one, because we do not have criteria. We are working on such aspects just now as we try to develop the PSP social enterprise model. I think that the work is of interest to the Scottish Government because it could be used to advance opportunities elsewhere.

The final part of the process is to ask the private sector whether it would participate in the scheme and facilitate people in moving into employment. I did not intend to suggest that people would abuse the training opportunity in order to bale out for

something else; the problem is just that the scale must be limited.

I am sorry that I cannot answer your question and provide a solution; it is something that we want to do, but we will have to work through how to do it. Quite a number of groups are engaged in the work.

Gil Paterson: Thanks for that.

Rachel Milne: The D1 licence is a major issue, and I can expand on what Eric Stewart said. For someone to be able to drive a vehicle without the D1, the vehicle must be under 3.5 tonnes, or 4.25 tonnes if it is an accessible vehicle. Vehicle weight is therefore an issue as well.

My organisation took the step of training a trainer in D1, and all our staff drivers are now D1 trained. We will open that training out in this financial year to our volunteers, but they will have to sign a contract that commits them to staying with us for a year and doing a certain number of runs. However, we also have lighter vehicles so that we can cover every aspect, whether PSV, D1 or non-D1.

From the voluntary sector's perspective, the issue is not just the money for the training but the time and the fear of going through a driving test again. The trainee must do the theory and hazard perception, the driver certificates of professional competence and the driving test. A huge amount of work is involved. We have professional drivers going through the training who have told me that they are scared. If the professional driver is worried about it, the average volunteer will have real issues with it.

We will perhaps need a culture change on that issue over time, but there will also be an opportunity for social enterprises and community transport organisations to build up small social enterprises to provide the training. Our organisation, Lothian Community Transport Services and the Stirling dial-a-journey service all do D1 training of one type or another and we have been discussing what we can do together for the best part of a year. We are looking at what the problems are and what we can do on them in the long term. We have not got any further yet than having that conversation, but I regard it as an opportunity for the CT sector to start having a bit of sustainability, albeit within reason.

John Berry: I think that the requirement for a D1 licence has the potential to have a pretty devastating impact on the provision of community transport with minibuses, given that—as Rachel Milne describes—it is so onerous in terms of money and time. It will have a massive impact on local authorities, too. We will not be able to drive all those school and social work minibuses in 10 or

20 years' time, because we will not have staff who have D1 any more; they all will have retired.

We need to tackle the issue of training and community transport in a joined-up way. My perception is that we will move away from minibuses and start working with PSVs and people carriers. That will be the approach, rather than getting a teacher out of school for five days to have minibus training. It is a big ask to spend the money and time involved when people come away from their normal job—whether that is as a school teacher or social worker—to learn to be a bus driver.

D1 is a tough issue and we will have to work out a strategy that covers both the community transport and voluntary sector and local authorities. We need to ensure that our staff can drive minibuses; otherwise, there will be no staff left to drive the 60 minibuses in Aberdeen and the 40 minibuses in Dundee.

David Summers: In the last two years, although not this year, we have had LEADER funding from a European project to top up our community transport grants. That has been available specifically for training. We put match funding in for training and also received other money from LEADER, which was not restricted to driver training. In principle, if a small group needed a training course in book-keeping, for example, they could have had that, although D1 driving is the big priority.

We do not have LEADER funding any more, although we still have some money allocated for training. Out of our overall £417,000, we have £31,000 allocated either for vehicle repair contingencies or training. We deliver that through Inverness and Nairn community transport forum, so we are supporting one of our community transport groups to do the training for the others. We do not restrict that training to funded CT groups; other organisations are involved, some of which are quite small scale. They may not be primarily transport organisations, but transport is an adjunct to what they do and they need to have trained minibus drivers, so we have a grant scheme for that training. It is a small scheme, but it has the potential to be expanded if funding allows that.

We could also explore the option of using the same structure to train the council's own minibus drivers. In response to what John Berry has just said about teachers coming out of school to do training courses, something that conceivably could result from our Lochaber pilot is the creation of the case for full-time driver posts within the local authority sector. For example, social care establishments traditionally have someone who is both a driver and handyman. Some schools—in our case, a small minority—have transport

provided by council vehicles, usually with a janitor driver. If we can create enough work for a full-time post across the various different needs, which could include the driving that teachers are currently doing, that could become an attractive option.

A minibus is the ideal size of vehicle for a school football or rugby team. We could integrate that kind of activity with social care provision and possibly some dial-a-ride transport, for example. Those are the kind of things we will explore in the pilot. We are moving a wee bit away from community transport, but we can see the links that can exist between the local authority and community transport sectors.

The Convener: We now move to concessionary travel.

Elaine Murray (Dumfriesshire) (Lab): A number of responses to questions so far have touched on funding issues. I will ask you specifically about the assistance that could be channelled through community transport users, rather than the other methods of funding that we have discussed. For example, local authorities might have schemes such as taxi cards or might fund concessionary schemes. If you are aware of that, I would be interested in your views.

I would also like your views on Age Scotland's still waiting campaign, which seeks to extend the national concessionary fares scheme beyond section 22 buses. We have had evidence suggesting that there could be problems with that, because the scheme is based on 60 per cent of a single adult fare and, under section 19, there is no such thing as a single adult fare.

There could also be issues about the technology that is required to claim concessionary reimbursement. We would welcome your views on whether the solutions that Age Scotland has offered in its still waiting campaign are a good idea.

Mr Berry mentioned car schemes. I am interested in exploring that a wee bit. Who pays the drivers in those schemes? What happens about disclosure and changes in the driver's insurance because they are using their car in a different way? My daughter works as a support worker at Epilepsy Scotland; there are issues about the safety of the people being transported and the training associated with that. What is the best way to support community transport provided by car?

11:30

The Convener: That is a lot of questions. Who will start?

Elaine Murray: I wanted to save time by asking lots of questions at once.

Eric Stewart: John Berry will deal with your questions about car schemes.

Although we expressed concerns in our submission about opening up the concessionary scheme to community transport, we qualified that by saying that it could be done in a co-ordinated way and there could be standards that would permit CT services to join the concessionary scheme. The scheme is a fixed pot. We have recent experience of open and public campaigns by bus operators about withdrawing services, as the level of reimbursement is reduced. In the round, we have to provide funding to fill that gap. I am not arguing the case—that is what is being reported. I am not giving my personal opinion on whether it is right or wrong. The bus operators have taken the opportunity to say, “If you cut the concession scheme, I’m cutting the service.” It is quite blatant.

There are circumstances in community transport—section 22 definitely provides one example—in which a service is being delivered. However, the pot is fixed. It is not as if the pot grows; it just gets spread more thinly.

We never said that the concessionary scheme should not be opened up to community transport schemes. Rachel Milne mentioned the CTA. A community transport scheme needs to be a member of the CTA so that it has gone through reasonable checks on its governance and vehicle quality and on whether it is a responsible operator. That might be the threshold for saying that a CT scheme is eligible to claim concessionary reimbursement.

There needs to be some kind of standard or line drawn, or things will get out of control and schemes will be developed that will be claiming reimbursement. Car schemes are a challenging example, which is why I will let John Berry answer the questions about them. We have reservations about opening up the scheme unless that is done in a controlled way.

Equally, we have not shied away from the fact that we would provide some support. Section 22 services now come under the traffic commissioner, whose resources are very strained. We said in our submission that, in the west of Scotland, for 42 per cent of the population, we would provide support to co-ordinate—I will avoid the word “regulate”—the section 19 and section 22 services so that the commissioner’s job is a wee bit easier.

If a service goes through the commissioner’s office, that might be the catalyst for it to get concessionary reimbursement. However, if the concessionary scheme was entirely opened up, something else would be squeezed and we would

end up having to find more funding for bus services. Whether or not that is the truth, it is certainly the argument that is presented.

David Summers: When we were discussing the national strategy, we did not touch on legislation. Much of the legislation that affects the sector—on driver licensing, construction use and that kind of thing—is reserved or European. Concessionary scheme legislation is a devolved matter.

Community transport covers a sort of grey area as far as our ability to provide a concessionary scheme is concerned. We have taken the view that, according to the legislation, we as councils can provide such a scheme for public transport services. If that involves our subsidised taxi contracts, which are open to the general public, they can be covered, and the council supports them if they do not come under the national scheme.

Community transport schemes, particularly the many car schemes operating according to a membership list, are not public transport—at least arguably. Therefore, we have no power to provide a concessionary scheme in that instance. Not everyone has taken the same interpretation, but that has been our position. There are probably differences of opinion on that among those who run our car schemes. Some of those involved would like their scheme to be included; some feel that they might be overwhelmed with more demand than they could cope with. The users

“appreciate what the volunteers are doing and want to pay something.”

A concessionary scheme does not have to be a free scheme.

We could also get into matters of eligibility—Councillor Phillips and I discussed that on the train on the way down here. Should we provide concessionary travel for car schemes, regardless of purpose? At least with buses, services are constrained to the timetable. The issue is not easy, and it is worth exploring.

On finance, our concessionary budget is overspent, which is because of growth in demand on the train and ferry services where we provide concessionary travel. Providing it for car schemes would give rise to more pressure on funding.

Rachel Milne: As David Summers says, the issue of concessions is very hard. I have my personal views on it, which I will shelve to one side—I will instead consider the CTA and Scottish aspects.

We need to remember that concessions are not a grant fund for bus companies. The fund is for the end users. A concessionary card is intended to help the client to get out. How the system is managed is open to an awful lot of debate. There

are issues for community transport operations, whether they involve bus schemes or car schemes. Taxi firms do not get access to concessions—should car schemes? I am not saying anything about that; I am just posing the question.

There are issues around back-office costs and the costs and upkeep of ticket machines. We are looking at about £10,000 of costs for a community transport operator for one bus route. Even a small to medium-sized operator, like us, could not afford that.

If we were going down that route, we would get help from Aberdeenshire Council, which would provide us with a back-office scheme, and that is great. The service that Aberdeenshire Council provides is slightly similar to that provided by Highland Council. Aberdeenshire Council has a discretionary concession scheme, which is offered to any section 19 bus operator. It is managed by the council, and checks are carried out to ensure that operators are doing what they should be doing. It is easy to operate and easy for the council to manage.

Should community transport be open to concessions to some extent? What does the end user need? The concessionary fare scheme is for the end user, not the bus companies.

I will move on to car schemes now—we have forgotten about them. They are great things. Elaine Murray asked about insurance. When someone operates as a volunteer driver for a car scheme, they are given a piece of paper that basically says, “This driver is driving for Dial-a-Community Bus under voluntary conditions.” The driver gives that to their insurance company, and their name is simply ticked off. Normally, their premium does not have to increase. If it does, they come back to us, we get in touch with the insurance company and the company soon backs off. It is daft to expect to get an increased premium in those circumstances.

Protecting vulnerable groups schemes are important in relation to car schemes, but they are another issue that is causing problems across community transport. On certain services, we are asking for a PVG check to ensure that our clients and drivers are safe and we are being told that we do not need one because the client is quite capable of getting on and off the bus—she is not vulnerable. That needs to be looked at. We have gone from being far too tight to being far too loose on PVG checks.

However, we do our PVG checks and look at the vehicle when we get the volunteer through the door. We check its MOT, insurance and vehicle servicing, and we do some driver training. That is another area of social enterprise and

sustainability. The minibus driver awareness scheme—MIDAS—for cars, which the CTA provides, is an ideal opportunity to check the driver out, give them some training and ensure that volunteers are trained as far as possible. It is that simple.

John Berry: I am sure that the committee has heard this before, but giving someone a bus pass when there is no regular bus service or no bus service is of limited value. If a person cannot walk to the bus stop from their front door, the bus pass is of limited value. People who have bus passes because of their age but who cannot use public transport obviously feel left out.

The question is whether we want to give those people some kind of parity with those who can use public transport. For example, if someone who needs to make a trip to a hospital in Dundee can jump on a bus, it will cost them nothing, because they can use their bus pass. However, if they live in Aberfeldy and there is no bus service to get them to Ninewells hospital, they might have to use a community car scheme, which might charge 45p a mile—that is generally what such schemes charge, although there can be differences. For a 128-mile round trip, 45p a mile would mean £57.60.

For the little old lady sitting in Aberfeldy who has to go to her appointment at Ninewells hospital, £57.60 is a lot of money to have to pay out. If she could use the bus to get from Aberfeldy to Ninewells hospital, she could get there for free. There is a disparity between the people who can use public transport and those who cannot.

I do not think that the concessionary reimbursement scheme is the right fit for community transport, because of many of the issues that we have touched on. Surely we can think of another system that can bring down the seemingly eye-watering cost of accessing services. The volunteer driver still needs to get their 45p a mile to cover their costs, but perhaps half that cost could be met by the user and half by the Government, the local authority or whatever other funding scheme there is.

Just to qualify slightly what I just said, a car owner who lives in Aberfeldy and has a hospital appointment at Ninewells hospital in Dundee is likely to jump in their car to make the trip, which will cost them £57 anyway—that is how much it costs to drive a car. A lot of the hidden costs of driving a car are forgotten, because the car is already bought. We should not forget that driving a car around, which is what the vast majority of people who live in rural communities do, has a cost as well. Perhaps in that light, £57.60 does not seem to be so bad.

The position can be argued both ways, but the key is to bring in a scheme that can make community transport more affordable. That does not need to be the bus pass concessionary reimbursement scheme.

Jim Eadie (Edinburgh Southern) (SNP): We have had quite a long meeting, so I will not detain the witnesses unduly with my questions. The committee has heard evidence from other community transport providers about their experience of the change fund and its costs. A substantial amount of money is allocated to that. The health and social care change fund, which is available to 32 local partnerships across the country, was valued at £80 million for 2012-13—that is the figure that I have in front of me. Have your organisations any experience of supporting community transport provision through the change fund? If so, how does that work?

David Summers: That has certainly been an issue in Highland. I am rather detached from it in a sense because, although I have had some research done on it, social work transport is managed separately from my team. Adult social care in Highland has now been handed over to the NHS as a partnership between the council and the NHS, although the NHS has operational responsibility for it.

Community transport groups have certainly been approached to provide transport, but those approaches have not necessarily been made with an understanding of what CT groups have been set up to do, and there is often the feeling that the difficult bits are getting palmed off. The community transport specialist in my team has had discussions with social work and NHS people on the use of the change fund, but—

11:45

Jim Eadie: Are you accessing the fund?

David Summers: Not as a public transport team. Some community transport groups are using it, but there is a lot of room for improvement.

Jim Eadie: Would you say that community transport providers are accessing the fund in a fairly limited way?

David Summers: Yes.

Jim Eadie: Does anyone else have a perspective on the issue?

Councillor Phillips: We are still discussing where the funding will come from for the joint pilot with the NHS and the Scottish Ambulance Service that we are about to set up. I suspect that the NHS's contribution to that will involve the change fund.

John Berry: The change fund is a relatively new funding stream. I note that it covers older people and, given that, I think that the transport issues that older people face are an obvious area for funding. In Dundee, a trick might have been missed, in that no one from the transport side was involved in the decision-making process and our advice was never sought. There was a small bid for a little project; it received some support, but it was really small scale.

As a local authority transport person, I am now a bit more aware of the change fund. There is a pressing need for better transport for older people and, if certain schemes were put forward, I would look to tap into the fund and make a bid for future years. The first round of funding might have been overlooked by some on the transport side and, because the decision makers tended to be social workers and health people, the projects that benefited tended to be more in those areas than in transport.

Whenever I attend community meetings or engage in the subject, I always find transport to be the key issue for older people. As a result, it must be an ideal candidate for securing some of the change fund money in future years.

Rachel Milne: If you had asked me about the change fund six months ago, I would have found it very difficult to be tactful about it.

Jim Eadie: I encourage you to be forthright.

Rachel Milne: Well, I will tell you why. In general, CT groups around Scotland are less than impressed with the fund. The impression is that it has been hijacked by the NHS and other statutory groups, that it has not gone where it has been needed, that it has been used just to fill the gaps made by cuts elsewhere and that it really has not done the job that it was supposed to do. In Aberdeenshire, it just disappeared; I still do not know what has happened to it there.

That said, six months ago, I started working with Aberdeen Council of Voluntary Organisations, which organises the change fund for Aberdeen city. As a result of the conversations that took place through the befriending series that ACVO put together, community transport has said, "We're a problem in Aberdeen." The change fund is the reason why we are now having those conversations; I hope that any solution will come about and be funded through the fund. That is a real positive and is why I am a little more positive about the fund.

As for what is happening around Scotland, David Summers's comment that this has been an issue in Highland sounds like the biggest understatement in the world. The fund has really not done anything—or has done very little—for community transport in general.

Jim Eadie: That might not be the fund's primary purpose, but perhaps we need to make those who oversee its operation aware of what community transport is trying to achieve. We are trying to shift to a position where care is no longer provided in hospitals but can be more optimally provided in the community, and community transport can help to keep people in the community. Is that not the argument that should be made?

Rachel Milne: I had meetings and exchanged long emails with those involved in the change fund in Aberdeenshire. Eventually, even I got sick of arguing and walked away. It takes a lot to stop me talking.

The Convener: We can pass those comments to the Health and Sport Committee for its discussions on the subject.

Margaret McCulloch (Central Scotland) (Lab): One of the community transport operators that gave evidence highlighted the reduction in local authority funding for community transport services. That is obviously a big concern. One organisation faced a 20 per cent reduction in its grant.

My first question is probably for Rachel Milne. What impact have you seen of budget reductions for organisations? How are they affecting the organisations' ability to support community transport services? My other question, which I will come to in a minute, is about alternative sources of funding such as public sector transport contracts.

Rachel Milne: Can you clarify whether you are looking at reductions in funding for the CTA or for CT groups?

Margaret McCulloch: I am looking at reductions in funding for CT groups.

Rachel Milne: The reduction in local authority funding for individual groups has been quite dramatic since the end of the RCTI and has been quite detrimental. Whole groups have shut down. I heard of a gentleman having to cash in a personal pension in order to continue a group's work. Our group in Aberdeenshire has had to stop one service, sort things out and make cuts.

It has not been easy at all in Scotland because of the cuts. You have to remember that at the same time as the cuts, costs are going up and up. What might be a 20 per cent cut is, in reality, 40 per cent. Maintenance costs are rising, especially given the older fleets. It is a rolling set of disasters for a lot of community transport groups.

Funding to the Community Transport Association has been cut, so we have lost one advice officer. We now have one full-time director and one operations supervisor—or whatever Sheila Fletcher's real title is—on something like 18

hours a week, who cover all of Scotland and try to give advice to regular and developing CT groups, and to communities that are looking at CT. They are constantly fighting fires and chasing themselves. We, as the Scotland committee, are constantly saying that we need this and that, which is a huge amount of pressure to put on 1.5 people.

That has an effect on quality. Eric Stewart mentioned monitoring quality standards. We need to look at things to do with section 19 permits, but the guys cannot do it in the amount of time that they have.

The Community Transport Association needs good, solid, long-term funding. The current funding is very shaky. How can the CTA help community transport groups when its staff do not know whether they have a job in the long term? It is not a positive story; I am sorry.

Margaret McCulloch: Do you have any ideas on how operators can make up the loss of local authority funding? Have groups been proactive and come up with other ideas to do that?

Rachel Milne: The standard idea—that we should all become self-sustainable and run social enterprises—is a wonderful panacea that has been handed down to us but which just does not work. Many community transport groups are small groups that are run by five or six people in the community. All they want to do is to put on transport to get people round and about. To say that they have to run a business on top of that is desperately silly, because they would have to have a business mind, then find a business and run it. Running a business on its own is hard work. Running a business that supports a community transport group doubles people's stress and workload. It is just too much for many community activists.

Some people have managed to do that, which is great and fantastic. We do that in my organisation; we run a social enterprise. If it works, that is great. However, there also have to be long-term funds but there are none. There are no revenue funds for community transport, or very few that I know of.

SPT is probably the only organisation that I know that really supports community transport. There is a big gap there that we need to fill. We need to recognise that sustainability and community transport do not go together. If a bus route was sustainable, a commercial operation would and should be doing it. As I said, community transport is the bowl beneath the sieve that all the vulnerable people fall through. It will never ever be self-sustainable and it needs something long term and solid to fund it.

Councillor Phillips: I will start with the general and then move to the specific. I am aware that

every community transport group would like to do more and could do more. To pick up from where Rachel Milne left off, the issue about small community enterprises being business-like is an issue with social enterprises all over the shop. Frankly, we are having to gentle people towards having a more business mindset. Many organisations are set up as charities and have to make returns to the Office of the Scottish Charity Regulator. Bodies that are in receipt of public money need to conduct themselves properly and account for that money. It is reasonable to expect that.

When I took over responsibility for the issue, I wondered about the impact of the loss of ring fencing of council funding. I asked whether we had preserved what would have been ring fenced had that approach still been in place. It is difficult to do an accurate reconciliation but, pretty much, the answer is that we have done so.

On the specifics, Margaret McCulloch mentioned evidence at last week's meeting from a group that had a 20 per cent cut. Yesterday, I read the evidence from that community transport group closely, but nowhere in it is there mention of the fact that the group is doing things other than community transport. It has turned itself into an admirable community interest enterprise that provides many other services to the community. However, that carries with it a lot of overhead, which was being funded out of the community transport grant. We felt that if we started funding painting and decorating services from the community transport grant, we would be denying the opportunity of funding to other groups that have a similar need elsewhere in the Highland Council area. We had fairly detailed conversations with the directors of the company and reached a position in which we felt that the directors, at least, understood the situation, although they might not be comfortable with it.

There is another reason for a certain level of cut across the board to our community groups. When we examined the way in which they were allocating the money, we found that quite a number of them were building up a maintenance emergency fund. The normal operating costs include a factor for routine servicing, but everybody then wants to set aside some money in case they need a new gearbox, which becomes more likely as a fleet ages. We therefore decided to set up a contingency fund for that and to carry the risk. If an organisation has such an event, it can come to us and draw on the fund. We therefore reduced the funding to reflect that and only that. I think that everybody understood that and was comfortable with it. There is a certain residual risk on us, because if more gearboxes break than we have reserved for, we have to carry the cost.

That approach has allowed us to support five more groups this year. We are trying to balance the need to maintain the groups that we currently support with the need to extend the service, but with no extra money coming in. There is one other group with which we are in conversation. It does not want to take its service into a section 22 arrangement, but we think that it should. We are reluctant to contemplate increasing funding in those circumstances, as it will not be taking in fares when it could be.

That is the kind of day-to-day issue that we have to deal with. We are not trying to be oppressive towards any group when we have such conversations. We do not try to force section 22 arrangements on groups for whom that is not suitable. However, we sometimes have to have fairly hard conversations, simply to spread a scarce amount of money as sensibly as we can. I hope that that answers the question.

12:00

John Berry: I agree that the idea of community transport going down a social enterprise route is problematic. I do not think that Rachel Milne said this, but many of the people who are involved in such groups are probably retirees who are not interested in setting up businesses. The people who run community transport schemes are not young, vibrant 40 or 50-year-olds; they are often in their 70s or even their 80s. They have no interest in the additional bureaucracy that comes along with running a profitable social enterprise.

When it comes to other sources of funding, local authorities were given the remnants of the RCTI and the UCTI, but there are two other public sector agencies to which I must draw the committee's attention—the NHS territorial boards and the Scottish Ambulance Service. We have been involved in a long-running debate with those fellow public sector agencies, in which we have said that we would like them to put more into community transport. A huge amount of community transport activity relates to hospital and other healthcare appointments, and I feel that that is not properly recognised by NHS boards and the SAS.

Another area that is covered in our submission is the fact that the SAS is beginning to contract and to impose restrictions on whom it takes on its patient transport services—its non-emergency ambulances. It is doing less, and the natural result of that is that people will have to find other means of transport. Some will go with family members and some will go on the bus, but it is inevitable that some will come over to the community transport sector, which will put more pressure on that sector. Despite that additional pressure, the SAS has not released any funding to support and help to sustain the network of community transport

groups across Scotland. I felt that that was a flaw in its strategic plan. ATCO flagged that up and said that if the SAS wanted to migrate 1 million or half a million journeys out of its business, someone would have to pick up the slack. It might be families or buses that do that, but if the SAS is to get rid of all those people, it might want to pass on some of the funding.

The Convener: I think that we have got that message. We will pass it on to the Health and Sport Committee.

Margaret McCulloch: Given that funding is being reduced and that community transport operators still need to exist, some of them might need to look for alternative sources of funding, which might include public sector transport contracts. Would that be a realistic option for such organisations to supplement their income and survive? John Berry said that some people who are involved in CT groups are in their 70s and are not interested in running social enterprises, but there is another side of the coin. I have been to a community transport operator that someone in their 70s is involved in, and they have the skills to tender for other work. The other day I saw another organisation that someone in their 40s or early 50s is helping to run. Therefore, I do not think that it is the case that everyone who is involved in community transport organisations is in their 70s, or that people of that age do not have the necessary skills to tender. People of a variety of ages work in the sector.

From her knowledge of such organisations, Rachel Milne might know the answer to this: are there individuals in CT groups who have the skills to tender for commercial work? Would groups such as yours have the resources to enable people who did not have those skills to develop them so that they could tender for commercial work?

Rachel Milne: The quick answer is yes. Buchan Dial-a-Community Bus already tenders for and runs PSV and section 19 contracts with Aberdeen City Council and Aberdeenshire Council. The organisation that provides the Stirling dial-a-journey service tenders for and runs a lot of contracts, as do LCTS and the Orkney Disability Forum. There is quite a strong group of people in CT organisations in Scotland who tender for and win contracts. In fact, it was Duncan from Stirling dial-a-journey who taught me how to tender, and I know that other people have been in touch with him. We all work together in that way.

However, while that is possible for the bigger and more resilient groups, for the smaller community groups—as John Berry said—it is just not going to happen, and there are more of them than there are of us. It is almost a solution for the larger groups, but there is still a gap for the

smaller ones, and it is still not quite a solution because it does not bring in a huge amount of money. Tendering is really important to us, and from an organisational point of view it is vital for our long-term sustainability, but there is just not enough money in some of the CT services to make them commercially viable.

A lot of grief and hassle are involved in tendering. Local authorities could make it easier by slightly adapting some of their tendering processes, as Aberdeenshire Council is doing. I look forward to seeing how the council will do that, because we could learn from it.

In general, there is a great wealth of knowledge throughout Scotland, but that comes with the caveat that tendering is not for everyone and is not a panacea. It will fill only a small gap, and it also puts extra work on groups, especially if a group suddenly goes—as we did—from having three vehicles and running community transport services locally to having 10 vehicles with 10 drivers and all the associated employment issues, and the volunteers that fill in too.

In addition, if a group is running contracts, it is tied to them. If you get that wrong then—believe me—the council batters you very quickly. It does not care that you are a community transport group: it has given you a contract and it expects you to fulfil it.

The Convener: Does anyone else want to say anything briefly?

Councillor Phillips: We have one community transport group in Morven that has a straightforward Saturday public sector bus contract. We also have hybrid operations, which are always interesting. I mentioned the Helmsdale group, which is subcontracting a piece of work from Stagecoach and running a section 22 service to join up with the first morning service from further down the road.

There are opportunities, but they are marginal. We need to think about the geography of different places. There are large areas, certainly in the more remote parts of the Highlands, that are recognised as officially fragile according to a number of important criteria. If the funding for community transport is cut, it will simply die, and in many places it is the only transport that exists.

Eric Stewart: We operate four timetabled services through contracts with community transport operators. A community transport operator can be treated the same as a bus company, but bus companies have the resources and the professionalism to deal with certain things.

Our approach is about self-help. We provide the assistance, but we are talking about a social enterprise model—we are not expecting the

community transport group to take on that work. We take it on board and lead on that work, and we are developing that model. We are not saying, “Thou shalt”—instead, we are saying, “There is a benefit to us and a benefit to you.” Some of our work has involved the provision of basic support to underpin community transport groups so that they can continue their other activities. We are not simply saying, “You must do all these things.”

We are probably a bit more fortunate than many other local authorities, because we have the resource and we are looking after practically half the country. That probably makes things easier for SPT, but we need to lead on these things. We cannot simply start laying down rules for a 70-year-old—well, it would probably not be a 70-year-old—to say that they need to start delivering things. We facilitate that transport because there is a net benefit to us as well; it involves a wee bit of give and take.

We have taken some work from Glasgow City Council, as there was a significant budget cut for the transport that it provides for volunteer clubs. The council had to save £0.5 million, so we have now taken on the Glasgow City Council bus. A community transport driver takes it and we pay for the insurance and the diesel, but not for the overheads, which are covered by the authority. We have reduced costs by 42 per cent, and we are delivering more services.

We will have to expand that model further. We made it all happen: we ran about and drew up the schedules, and we placed the buses and positioned the drivers, because that is outwith the ability of the community transport groups at this stage. We need to develop with those groups—we cannot just take a position. There is an end-game for us as there is for the CT groups, and just giving them CT funding will not work. The issue needs to be looked at in the round.

Having a central bus fund will not help either, because the operating costs for the bus will blow the capital cost right out of the water. It would certainly take more money to do that. By the time we get back today I will be looking at the change fund, because I was not even aware of that—I will have a bid in this afternoon. We are obviously missing something there.

The NHS has a problem. Patient delivery costs for the SAS are, by its own declaration, nearly four times more expensive than they are in our area, which—as I said—covers 42 per cent of the population. I can go to hospital and find SAS patient transport, a demand-responsive vehicle and a community transport vehicle. It is absolutely mad. We believe that we are well placed to co-ordinate that, but the community transport groups have to come to the party too.

The Convener: I see that no other members have questions. I think that we have covered everything, as we have had a fairly long session. I thank you all for coming; your evidence has been extremely helpful to our inquiry. If you think of anything on your journey home that you wanted to bring up, please write in and let us know.

12:11

Meeting continued in private until 12:23.

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