

**BRAINTREE COMMUNITY TRANSPORT – PROPOSED CHANGES TO
MANAGEMENT OF ESSEX COUNTY COUNCIL’S IN-HOUSE COMMUNITY
TRANSPORT SCHEMES**

Contact Details:- Russell G Everard
Designation:- Head of Economic Development
Ext. No:- 2582
E Mail Address:- russell.everard@braintree.gov.uk
Agenda Item: 6 (d)

Background Papers:- Letter from Essex County Council dated 4th October 2006
Community Transport Partnership Agreement 2006-2011
Financial Implications:- Yes. See report
Equalities Implications:- None
Legal Implications:- None
Options: As set out in report
Risks: Yes. See report

EXECUTIVE SUMMARY

This report sets out Essex County Council’s proposals for changes to the management of their in-house community transport schemes. It proposes that the management of the Braintree scheme should be transferred to Braintree District Council.

DECISION

1. It is recommended that Essex County Council (ECC) be advised that this Council prefers Option 1, transfer of Braintree Community Transport scheme to Braintree District Council, subject to ECC funding being maintained in accordance with the Partnership agreement (2006-2011), there being no additional cost to the Council, and a satisfactory transfer agreement is reached by both parties.
2. It is also recommended that the transfer of the Braintree Community Transport scheme should be effective from 1st August 2007.

<p style="text-align: center;">BRAINTREE COMMUNITY TRANSPORT – PROPOSED CHANGES TO MANAGEMENT OF ESSEX COUNTY COUNCIL’S IN-HOUSE COMMUNITY TRANSPORT SCHEMES</p>

Purpose of Report

To advise the Cabinet of the County Council's proposals for changes to the management of their in-house community transport schemes and to seek approval for the Braintree Community Transport scheme to be transferred to Braintree District Council with effect from 1st August 2007.

Background

At present there are 13 community transport schemes in Essex. The County Council has direct management of four of these schemes, including Braintree. The County Council has decided to move away from direct management and is seeking to transfer the Braintree scheme to Braintree District Council. The key factors involved are:

- The County feels that it does not provide any added value to the schemes through its direct management of them and that they would therefore benefit from being managed externally;
- ECC will maintain its current level of grant funding for the schemes over the period of the current partnership agreements; and has no plans to alter this arrangement in the foreseeable future;
- The County Council aims to transfer the existing physical assets with the scheme.
- Care will be taken to minimise the impact on service users. At the least service should be as good as it is now and preferably the new system should offer better services;
- We (BDC) are looking to develop a stable structure, sustainable in the long term;
- In most cases staff will transfer along with the scheme;
- Of the options looked at for externalising management of the schemes there was no single option that could be applied to all the partnerships, indeed all four had different views on the way forward;
- All the options will involve considerable work to get in place;
- Some schemes would move forward more quickly than others;
- Office location was an issue for several schemes, with the need to change current offices being a short to medium term concern;
- The position of current ECC vehicle replacement programme was raised as a concern by all the Partnerships.

Options

The main options for future management are:

1. Transfer to another local authority
2. Form a Registered Charity which would also be a company limited by guarantee with transport provision as sole aim
3. Join a non-government organisation
4. Form a co-operative venture

5. Merger with another community transport scheme

Further details of each option are set out in Appendix 1

Issues

The Braintree scheme is an example of an extremely successful partnership. Braintree Community Transport is one of the leaders in community transport services with a cost of only £2.02 per passenger journey for 2006/2007. (The ECC measure on cost per passenger journey is a maximum cost of £5.00)

There is a formal partnership agreement in place between ECC and BDC which covers the period 2006 to 2011 and which sets out the contributions of each partner. Passenger numbers have been growing year by year. The outturn for the Braintree scheme for 2006/2007 was 48,236 passenger journeys.

It is important that any changes do not disrupt or lead to a deterioration in the service.

The option that would best achieve this would be for the service to be transferred to the District Council. The Council already provides the accommodation for the service and relevant associated costs, and the transfer from ECC would be relatively seamless.

It is considered that the other options detailed in Appendix 1 are likely to be disruptive and difficult to achieve in the short-term. However, there may be merit in exploring the potential of a charitable trust status for the longer term.

Benefits & Opportunities for Braintree District Council for Option 1

- The Braintree Community Transport scheme addresses 3 of Council's long term visions:
 1. Help people to feel safe and well
 2. Create a better place to live, work and play
 3. Improve performance and deliver better value
- BDC will now be the lead partner for the Braintree Community Transport scheme
- BDC Officers and Volunteers will be focusing on local ambitions for the service
- Improved financial management. (All finances will be managed by BDC and not jointly with ECC as before, making more efficient use of County & District resources)
- Greater ability to own and celebrate success as the lead partner
- Significant reduction in operational and managerial 'bureaucracy' and red tape
- Increased advertising and marketing opportunities
- Improved Officer training and career development opportunities
- All Officers will be employed and managed by BDC
- Dial-a-ride membership/renewal/fare income will be retained by BDC rather than ECC
- ECC owned minibus transferring to BDC
- Closer working relationships with other linked departments at BDC
- Local people more likely to volunteer for BDC than ECC

- More opportunities for BDC to tender for additional contracts using Dial-A-Ride vehicle and paid driver

Financial Implications

The BDC revenue budget for 200/8 for Community Transport is £53,880. The net service budget (including apportioned expenses and capital financing charges) is £96,520. The County Council contribution is governed by the Partnership Agreement which provides for a minimum of £93,773 per annum, plus an annual adjustment to allow for inflation. The two budgets currently cover all the costs of running the service.

The Braintree scheme currently operates 5 minibuses of which one is currently owned by ECC and which would be transferred to BDC at no cost. The scheme also supports one minibus currently used by Halstead Senior Citizens Day Centre.

As in previous years, the vehicle replacement programme will be the responsibility of Braintree District Council. Capital funding has already been agreed by BDC for 2007/8 for the purchase of one replacement vehicle, and further capital bids for other replacement vehicles will be made year on year.

Risks

Risks relate to longer term funding by Essex County Council, after 2011, or as a result of changes to County Council policy.

Staffing Implications

ECC currently employ 4 full-time posts 2 part-time posts to run the scheme. These staff would be transferred to BDC under a TUPE arrangement.

We understand that County has discussed the proposed transfer with relevant staff unions at County Hall.

Options for Community Transport Management

Option 1:

Transfer to another Local Authority

- Requires willing host Local Authority. Some are, some are not.
- Current partnership agreements remain in place – may require some changes to particular responsibilities in light of changed circumstances, but no fundamental changes.
- Ownership of the scheme and its assets is transferred from ECC control to control of host local authority.
- The host LA accepts responsibility for the employment and management of staff and future development of the organisation including vehicle replacement (beyond agreed point) and within the margins of the partnership agreement its strategic focus.
- Officer transfer by TUPE. Remain within Local Government Pension Scheme.
- ECC makes grant payments direct to local authority.
- Still required to produce Performance Indicator statistics.
- Free of ECC 'corporate' restrictions (for instance publicity material and letter heads) other than need to acknowledge ECC funding.
- May be restrictions on ability to attract new revenue as still a public body.
- Subject to Local Authority budget pressure as now.
- Vehicle replacement an issue.
- Audited by Local Authority or by ECC.

Option 2:

Form a Registered Charity which is also a Company Limited by Guarantee with transport provision as sole aim

- The 'Tendring' option.
- Based on a Board of Trustees (who elect a Chair, a Secretary and a Treasurer overseeing the work of a chief exec who has operational control responsibility and works to both the Constitution (Charity requirements) Memorandums and Articles of Association (Company Law).
- Not for profit organisation – can be a registered charity – although this limits the range of operations you can undertake it DOES NOT mean you cannot make money on any particular operation so long as this is put back into the service.
- Requirement for audited accounts.
- Incorporated - Liability of board members and Trustees limited by guarantee.
- Has flexibility in fund raising from sources not open to ECC.
- Decides own charges, pay scales and publicity (but must acknowledge ECC contribution).
- Free to determine own broad strategic goals (within parameters of agreement) and to develop own organisational structure.
- Will inherit assets of ECC scheme and become signatory to funding agreements
- Responsible for own long term funding and development – loss of 'safety net'
- Staff Transfer by TUPE. Not in LPGS (options?).
- Trustees cannot benefit from charity.

- All costs have to be met from funds – fund raising becomes a much larger issue, as does account keeping.
- Vehicle replacement an issue.
- Managers required to undertake a greater range of tasks and assume responsibility for a range of tasks (HR, Maintenance, insurance etc) now handled in house.

Option 3:

Join a Non-Governmental Organisation (NGO)

- Similar approach to Option 1, but join a non-governmental organisation rather than a local authority.
- Needs willing NGO.
- Includes RCVS, or other similar body.
- Ownership of scheme and physical assets transfer to Voluntary organisation.
- Staff transfer by TUPE. Not in LPGS.
- Managed and developed within their structure.
- As above, existing grant status /partnership agreement may require some changes but funding maintained.
- Vehicle replacement an issue.
- Can take advantage of contacts in other areas, to identify volunteers and funding.
- Scheme future dependent on future success and development of NGO.

Option 4:

Form a Co-operative Venture

- The Harwich Connexions option.
- Need to identify and persuade partners to join.
- Several organisations with different aims (i.e. transport, tourist information, heritage centres etc) come together to form an umbrella organisation sharing costs and resources.
- Structure like Company Limited by Guarantee (Indeed may well be one).
- Broader range of interests offers wider scope for cross subsidy and income generation from outside sources.
- Economies of scale on administration costs and management.
- Opportunity to build strong local brand across range of undertakings improving community buy in.
- Access to wider range of volunteers.
- Careful management of differing interests required.
- All areas of business have to contribute toward the goals of organisation.
- Complete failure in any one area could have serious adverse effect on others.
- Staff Transferred by TUPE. Not in LGPS.

Option 5:

Merger with another Community Transport Scheme

- Will follow one of the general patterns outlined above, but with greater access to experience of the issues involved.