

Area North Committee – 23<sup>rd</sup> July 2008

## 9. Community Grants (Executive Decision)

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### Purpose of the Report

The purpose of this report is to seek Members' approval for a three-year revenue contribution to the Langport and Somerton Links Community Transport Service and associated Service Level Agreement.

### Recommendation

Members are **RECOMMENDED** to

- 1) approve a grant of £5,000 per year over 3 years (between 2008 and 2011) to the South Somerset VCA for the Langport and Somerton Links community transport service; subject to:
  - standard SSDC grants conditions
  - annual monitoring is completed in accordance with the signed Service Level Agreement
  - further work is undertaken, by the Links Steering Group, to review and develop the current business plan.
- 2) Approve the attached Service Level Agreement and partnership agreement (Appendix A) and authorise the Head of Area Development to sign the agreement on behalf of SSDC.

### Background

The need for community transport in the Langport and Somerton area, additional to regulated public transport, continues to be a reality, evidenced by the increasing passenger numbers.

In accordance with the conditions of the District Executive's grant award of £100,000 to South Somerset Voluntary and Community Action (formally CVS) in 2006, Links has been costed separately from the other services provided. In addition, District Executive decided that local initiatives should be pointed towards Area Committees for funding. Area North approved a grant of £12,500 in April 2007 with four conditions attached, which were met.

As reported to members in September 2007, the service now boasts:

- A three year business plan
- Financial contributions from ten Parish Councils
- A Steering group including representatives of councillors, agencies and users.

It was also agreed that any future funding application would need to be made through an agreed Service Level Agreement.

## Report

Langport and Somerton Links continues to provide an essential service over and above that provided by commercial passenger transport operators. Operating with vehicles that can accommodate wheel chair users, providing a door-to-door service and flexibility with the times of travel, have all helped the service to grow significantly since 2003.

In addition to meeting the conditions of the previous Area North grant award, the Langport and Somerton Links service has seen the following significant developments:

- New promotional leaflets have been produced and distributed.
- An additional vehicle was gifted to the service, increasing the fleet to 4 vehicles.
- The project manager's hours have been increased.
- Trials of new community transport computer software have commenced.
- Fares have been increased to include VAT. (There is also a possibility of a backdated VAT claim from HMRC)

The table below shows the increase in both passenger numbers and mileage since 2004/05. The 2006/07 and 2007/08 estimates for passenger journeys and mileage were exceeded.

**Table 1**

Period	Passenger journeys	% Increase	Mileage	% Increase
2004/05	3,739	37%	32,937	24%
2005/06	5,082	35%	41,492	18%
2006/07	7,079 (estimated 6,900)	39%	48,607 (estimated 48,052)	17%
2007/08	8,050 (estimated 7,935)	14%	55,658 (estimated 52,377)	14%

The service in the year 2007/08 was predicted to obtain an income in excess of £48,000. Actual fare income was £51,560, plus concessionary fares of £8,400.

Although growth has slowed in the past year, this is in part due to a natural exhaustion of potential passengers living in the catchment area. Demand placed on the service remains high however.

The membership scheme, established in 2007, now has 84 paid up members who have subscribed £5.00 as an annual fee to secure access to the service. A new form is being sent out to register members, which will provide valuable information to enable accurate passenger profiling and reporting. Evaluation forms will enable both SCC Social Services and independent users to assess the quality of service and propose improvements and developments.

Having discovered that the service should have been VAT registered in April 2007, a potential liability of £6,000 now stands if back-payment is requested.

## Costs and Funding

This is an application for a financial contribution towards the financial plan of the Links Service, in line with an agreed Service Level Agreement (attached Appendix A)

The current financial plan, shows a need for additional income over and above that achieved from donations and fares. The budget for 2008-09 includes provision to purchase Shaunsoft CTX Community Transport Passenger Management software to increase efficiency in the management of passenger information and annual reporting.

Financial support is also required to increase the paid hours of the project manager, allowing greater investment of time in the development of the service.

This additional financial support will ensure that fares can be subsidised in the short-term, avoiding a second increase in fares within the current financial year, while ensuring the service continues to operate and affordable service for passengers.

<b>Income</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Fares, fees and expected grants	64,500	67,725	71,111
<b>Expenditure</b>			
Annual costs	70,258	71,908	75,554
Provision for replacement vehicles	4,800	4,200	4,200
<b>projected surplus (deficit)</b>	<b>(10,558)</b>	<b>(8,383)</b>	<b>(8,643)</b>

As can be seen from the table above, the service requires additional income (assuming no further savings in expenditure). Current cash reserves are £20,000, reflecting a firm policy to provide for replacement vehicles over the past 2-3 years. The net reserve also takes into account the potential VAT liability. Use of reserves to partly fund the running costs, together with a grant from SSDC would ensure both a viable service, and a replacement vehicle fund over the next 3 years. Example costs of replacement vehicles would be in the region of £7-8,000, with a life of 3-5 years. Over the next 3 years 2 vehicles would fall due for replacement.

**Other sources of funding:**

- Contributions from Parish and Town Councils (currently 10)
- Income from passenger fares and Social Services Contracts
- £1,000 Somerset County Council

**Table 2**

<b>Category</b>	<b>Score</b>	<b>Maximum score</b>
A Eligibility	<b>Y</b>	
B Target Groups	3	6
C Project	5	5
D Capacity of Organisation	13	15
E Financial need	5	5
F Innovation	2	3
	<b>28</b>	<b>34</b>

## Financial implications

£5,000 from Community Grants Budget; with forward commitment for £5000 in 2009/10 and 2010/11, subject to budgetary provision, evidence of financial need, and satisfactory fulfilment of the service level agreement.

## Implications to Corporate Priorities

- 9. Address the particular issues affecting rural areas
- 11. Work in partnership with others to improve the health prospects for all

## Other implications

Area Development Plan:

- 2. Promote and enhance community or subsidised rural **transport** services
- 4. Promote and enhance activities and services for **older people**
- 5. Support the development and enhancement of community managed **facilities, activities or services**

## Somerset LAA

- NI 175 Access to services and facilities by public transport, walking and cycling
- NI 137 Healthy life expectancy at age 65
- NI 136 People supported to live independently through social services (all ages)
- NI142 (Number of vulnerable people who are supported to maintain independent living)
- NI 6 Participation in regular volunteering
- NI 7 Environment for a thriving third sector

**Background Papers:** *Area North Community Grants report 25<sup>th</sup> April 2007*  
*Area North Somerton and Langport Links Service report 26<sup>th</sup> September 2007*