



Community Transport Review

October 2014

Contents

Chair's Introduction	?
Introduction	?
Membership of the Review Panel	?
Terms of Reference	?
Activity Timeline	?
Background Information	??– ??
Results of the Task and Finish Group	??– ??
Summary and Recommendations	??– ??

Appendix 1: A letter from the Director of Planning & Transportation to Trans Vol

??

Appendix 2: Copy of the report from Harwich Community Transport Scheme

??

Appendix 3: Copy of a report from Brentwood Community Transport Scheme.

??

Appendix 4: Essex County Council supporting other local community transport schemes.

??

Appendix 5: Report from Trans Vol

??

Appendix 6: Minutes from the Community Transport Review

??

Chair's Introduction

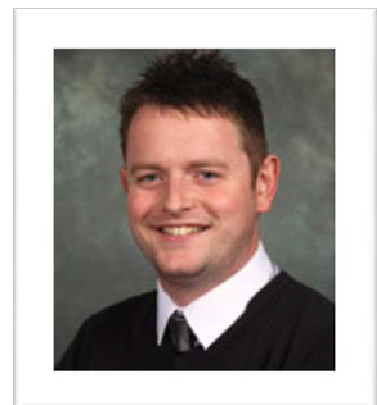
This Community Transport Review Task & Finish Group was setup under recommendations of the Planning, Transport & Regeneration Overview and Scrutiny Committee. This was done over the concerns raised by residents and users of TransVol over the removal of funding to their service.

It was a pleasure to be nominated Chair for the evening with three recommendations put on the table. After liaising with TransVol, officers and members of the public who had observed the meeting from the public gallery we established that all 3 recommendations had difficult consequences on TransVol and its users or a direct consequence on the councils funding levels. We also established that the removal of funding could impact the council with higher costs being incurred if the service by TransVol was not provided for Thurrock residents.

After around one hour of debate an additional recommendation of 1.4 was put on the table by Officer David Bull which was to approve the 50k funding (recommendation 1.3) and that the Director of Planning & Transportation meets with the Directors of Children's and of Adult Services to consider invest-to-save funding to bring the total up to the present level.

The three Members of the Task & Finish Group being myself (Cllr Tom Kelly), Cllr Sue Gray and Cllr Graham Snell sought the approval of TransVol on this recommendation (1.4) in which they were for the moment, happy with the additional recommendation.

As such this was approved by all three Members and the meeting was closed with thanks to TranVol, the officers in attendance and the helpful participation from residents in the public gallery.



Councillor Tom Kelly
Chair of Community Transport Review

Introduction

The topic of Community Transport was brought to the fore by the Planning, Transport and Regeneration Overview and Scrutiny Committee, which wanted to explore and investigate TransVol funding and the use of this Grant from the Council, following concern from Members and users of TranVol to the service they were providing, should their funding be withdrawn.

At the July 2014 meeting of the Planning, Transport and Regeneration Overview and Scrutiny Committee it was agreed “that a Community Transport Task and Finish group be established in order to help identify whether this suggested proposal to cease grant funding to TransVol will impact the charity and residents and whether there are any viable alternative funding stream options available”

Membership of the Review Panel

Councillor Tom Kelly (Chair) – Conservative

Councillor Martin Kerin – Labour

Councillor Roy Jones – UKIP

Substitutes

Councillor Graham Snell – UKIP

Councillor Sue Gray – Labour

1 Vacancy – Conservative

Terms of Reference

We agreed that our key aim was:

1. To investigate and report on the value of funding streams for community transport

Activity Timeline

The group undertook the following activities to reach their recommendations:

August 2014	Receive an information pack from Officers on the current funding, budget costs and proposed savings for Transvol
August 2014	Seek information from other comparative Councils and Charities to see how they operate Community Transport and examine what if any funding they receive, in order to determine best practice.
September 2014	Receive a summary report on the purpose of Transvol and its impact on the local community, including any key data to examine the realities of community transport in Thurrock.

<p>September 2014</p>	<p>To undertake a survey in order to capture the views from Transvol members and users and also other users in the Borough who may use alternative means of transportation. (To be included within the summary report from Transvol)</p>
<p>Mid-September 2014</p>	<p>Receive from Transvol information on, potential challenges, and spend of the charity during its work.</p>
<p>29th October 2014</p>	<p>Held meeting of Review Panel to discuss and look at the implications of financially supporting community transport in Thurrock and issues around efficiency and value for money</p>

The activities undertaken were prepared and presented to the group at their meeting to enable all parties to participate in discussions and agreed to a way forward.

Background Information

Community Transport and Thurrock

The role of TransVol is to develop a safe, affordable, accessible, caring, demand responsive and integrated Community Transport Scheme within the borough of Thurrock, whilst working in partnership with Thurrock Council and the wider community.

Local Transport Authorities must have regards to the transport needs of disabled persons and of persons who are elderly or who have mobility problems (Transport Act 2000 section 112 amended by the Local Transport Act 2008).

Community Transport is provided for those who cannot access passenger transport either because of their geographical isolation or the unsuitability of the conventional transport provided.

TransVol was launched in 1994 and became an independent charity in 2000. The charity is administered by a Board of Directors who act as Directors of the Company and are also charity trustees. Employees undertake the day to day management and operation of the scheme that also have volunteers who assist with transport provision. In the last year 15,038 passenger journeys have been undertaken.

Thurrock Council has provided TransVol with financial aid in recent years; in 2006/2007 grant funding was £261k, which rose to £267k in 2007/2008 and 2008/2009. A grant of £197k was provided for the following four years and £97,400 was made available for 2013/2014.

Following representations the level of grant was provided for 2014/2015 however it was made clear by the Director of Planning & Transportation, on the 15 January 2014, that the Council had to make some significant savings over the next few years. The Council would go through a very difficult period and as such the Director was unable commit to any future funding after March 2015 (**Appendix one pages x**).

Efficiencies had been made by TransVol to cope with this reduced grant and Thurrock Council covered the additional cost of the advice sought from two other community transport providers (**Appendices Two and Three pages x-x**).

Nationally, community transport schemes often depend upon financial support to meet the needs of its members, which is met by local authorities. Despite this, schemes are unable to meet all requests for transport.

It is clear that transport schemes do not solely rely on local authority grants. In addition a number of community transport schemes receive benefits in kind such as office accommodation and not having to meet utility costs (**Appendix one pages x**).

The unique advantage of community transport is that it provides a journey at greater cost than the financial support given by the local authority. The current figures per passenger journey equates to some £6.49. This in relation to other similar community transport providers was felt to be a high subsidy.

The Results from the Task and Finish Group

We held a meeting in order to evaluate the current financial aid given to TransVol from Thurrock Council in to provide community transport for the boroughs elderly and vulnerable residents.

Participants included representatives from TransVol, senior officers and Members. It was explained at the meeting that the council had a number options to consider and these were presented to Members within the information pack.

An open conversation took place on community transport and whether the funding currently granted to TransVol provided value for money for the Council. Representatives from TransVol explained that without the funding provided the charity would be unable to supply the current service for their clientele. Officers informed the Review Panel that they wanted to assist where possible and had even suggested ways for the charity to bring in external income.

During the discussion the following key points were identified:

- That Members of the Review Panel agreed with Officers that community transport was required within the borough for its elderly and vulnerable residents;
- The service provided by TransVol was valued by its Members;
- The Council statutory priority was to users who had little or no public transport or those who had disabilities and required medical appointments or to use shopping facilities.
- TransVol were proactive in admitting that with only this amount of funding it would be almost inevitable that the charity would have to close.

The Review Panel following questions to both officers and Trans Vol recommended that an additional recommendation (1.4) be considered **“The Task & Finish Group has considered four options in relation to the grant funding for Trans Vol and recommend an additional alternative, Option Four, which was agreed on the night of the meeting, which is to provide ‘one off’ financial support of £50k on provision of a business development plan for the future that is agreed with the Council and for the Director of Adults, Health & Commissioning and the Director of Children’s Services to consider further funding for 2015/16”**

Recommendation 1.4 was agreed and seconded by Members on Review Panel, it was then confirmed that TransVol and officers were happy with the proposed suggestion.

Summary & Recommendations

The aim of this review was to look at ways other local authorities' provide if any provided funding for community transport and to see if there were any other ways to grant continued financial aid to Trans Vol.

It was clear that there is a need for community transport within the borough; discussions moved on to whether the service provided was value for money. Officers suggested that a business case be submitted to the Council to enable officers to see how the funding was being spent.

The Review Panel considered the following recommendations:

Recommendation One

It was identified that this would clearly put at risk some provision of community transport within Thurrock that met some of the needs of the users of TransVol. This has the possibility to adversely impact the most vulnerable residents within the community.

Recommendation 1:
To withdraw the funding

Recommendation Two

Recommendation 2:
To maintain the current level or reduced level of funding (but the Task and Finish Group would have to find alternative savings from other services)

Members acknowledged that this allowed the level of support provided in the last two financial years to be maintained and ensured TransVol could continue with the current level of service to its members. However, Thurrock Council faced with declining funding had made it clear to TransVol over recent years that they would need to operate with less financial support and operate more efficiently with advice from other operators.

Recommendation Three

This would have ensured that TransVol could continue supporting its users and members immediate transport requirements but could also explore alternative sources of funding pending the reduction in Thurrock Council financial support.

It was explained that TransVol would need to produce a business and development plan to show future viability and show that in time they could become self-sufficient.

Recommendation 3:

Provide a 'one off' financial support of £50k to TransVol on provision of a business development plan for the future that is agreed with the Council. This support could be tailored to purchase a new vehicle thus saving on servicing and maintenance revenue costs.

Recommendation Four

Members of the Review Panel suggested this recommendation at the meeting, which would ensure that TransVol would maintain its current level of community support.

It would also give TransVol the opportunity to seek alternative sources of funding and prioritise journeys to those residents who have little or no public transport.

They will however, have to take a pro-active role in ensuring that they seek alternative sources of funding during 2015/16.

Recommendation 4:

The Task & Finish Group has considered four options in relation to the grant funding for TransVol and recommend an additional alternative, Option Four, which was agreed on the night of the meeting, which is to provide 'one off' financial support of £50k on provision of a business development plan for the future that is agreed with the Council and for the Director of Adults, Health & Commissioning and the Director of Children's Services to consider further funding for 2015/16

Next Steps

Officers agreed to investigate value for money versus cost per trip subsidy which it was felt needed to be reduced by TransVol through efficiencies. Although the responsibility of effective working is TransVols, officers will work with Trans Vol to achieve this.

Specifically the Council will need to know, as well how, investment into TransVol supports older people and children with disabilities and how this is of value to Adults and Children's Services. This would mean that investment in TransVol could reduce the costs that would otherwise fall on Adults and Children's Services.

Trans Vol
Attn Neil Woodbridge and John Paddick
Thameside Theatre
Orsett Road
Grays
Essex
RM17 5DX

Wednesday 15th January 2014

**Trans Vol
Community Transport Scheme**

Dear Neil and John,

Thank you for coming to visit me last week in relation to Trans Vol to discuss the Scheme's future.

I am aware that you have made some major changes to your policy and procedures including staff changes and your report clearly defines where the service currently lies. Further to our discussion I find that your necessary alterations have operated quite smoothly without an adverse affect on your members. In fact you should be commended for your commitment to modernise and update procedures to ensure that future operation of this vital service to some of our more needy residents is recognised and encouraged.

It has become apparent that your reserves are not as healthy as originally thought and this will affect the service especially in the next financial year. In order to maintain a managed level of service you have requested that the Council considers options in assisting a continuation of financial support. I understand that other sources have funding has already been identified but approval of such monies has only been agreed if the Council also contributes towards the scheme.

I understand the importance and necessity of a community transport scheme and therefore in principal I am willing to secure a further year's grant of £97,400 for 2014/15. This will be subject to Portfolio Holder and Leader of the Council's approval.

Moving forward to 2015/16 and onwards it has been publicly highlighted that the Council has to make some significant savings over the next few years which sees us moving through a very difficult period and as such I will be unable commit to any future funding after March 2015 at this time.

Yours Sincerely

David Bull
Director of Planning & Transportation

**FOLLOW UP
REPORT
TRANS-VOL,
THURROCK**

For John Pope, Passenger Transport, Thurrock Unitary
Authority.

**D. Rotchell
Harwich Connexions Transport
Cooperative Ltd.**

Trans-Vol

Introduction:

TUA had several concerns over the cost effectiveness and Management of Trans-Vol and their reliance on high levels of funding. A report was commissioned by TUA in June 2012, which

was conducted by Tina Tickner, CEO for Brentwood Community Transport. This report highlighted several areas of concern.

Following a change in operational management at Trans-Vol, in April 2013, TUA requested support from Harwich Connexions Transport Cooperative for a period of 3 months. This report is based on the actions taken during those 3-4 months.

Trustees and Governance:

Since April 2013 the Board of Trustees has reduced from 12 to 6. This has come about due to automatic retirement at 80 years of age and resignations of some trustees who were also volunteer drivers. (More details under the Volunteer section of this report).

The remaining 6 trustees are however, fully committed and pro active and are taking a very positive interest in the restructuring and future development of Trans-Vol.

The trustees are now kept fully informed of ALL operational details and the statistics prepared by the Operational Manager, are now based on fact with supporting evidence, which sadly, did not appear to have been the case over previous years.

Trustees are supportive of the Operations Manager in most instances; however they do not appear to be taking her knowledge and experience into account when vital decisions are made.

Culture and Environment:

There has been an enormous change in both culture and operations at Trans-Vol since April 2013.

The new Operational Manager (Denise Cheeseman) has settled in remarkably well and has got to grips with the day to day running of the business, despite having no clear idea or instructions from the previous Manager. A lot of time was initially spent in just "clearing the decks" and finding where important and relevant information was kept.

Denise operates with a very 'open door' style and is very keen that all Trans-Vol activities are robust, comply with legislation and are transparent.

There has been a decrease in the Office staff; however they appear to be content and very motivated.

A part time consultant has been employed for 6 months to help with Business development and fundraising and is working with the Trustees and the Operational Manager, although to date, has not secured any additional funding or grants.

Massive changes have taken place around the area of charges and revenue, vehicle stock and staff costs. (These are fully explained further in the report)

Housekeeping Audit:

A very comprehensive review of all costs was undertaken and it was found that an awful lot of funds had been used to pay for very unnecessary contracts, office machinery, and stationary, printing etc and were immediately cancelled or renegotiated. As a result of this audit £4,000 per month worth of savings were immediately identified.

Fares and Revenue:

From the earlier report and the reduction in funding from TUA it was very apparent that revenue from fares needed to be increased. Following very lengthy internal discussions and

customer consultations, the new fare structure as detailed below was introduced from 1st June 2013.

Zoned Fares:

Due to the large geographical area covered by Trans-Vol it was agreed to introduce zoned fares.

Zone 1 (under 4 miles)	£3.00 each way
Zone 2 (over 4 miles)	£4.50 each way
Escorts are still charged at	£2.00 each way regardless of the Zone.

The distances of each trip is calculated by the CATTs booking system and charged accordingly.

The very successful day trip programme has been reduced to offer only the most popular and the charge has been increased significantly, without any apparent fall in bookings.

The Sunday lunch trips have also been restricted to a set distance to make these cost effective.

Revenue is also being boosted by utilising vehicles for Evening meal trips during the holidays, and using drivers geographically to cut costs as well as dead miles.

Membership Fee

It was also agreed that a membership fee would be implemented. Several concerns were raised by both staff and trustees regarding this, but as this was standard practice for most CT schemes, it was eventually agreed and again on June 1st an annual membership fee of £10.00 was introduced. For members who only use the service for an occasional day trip or members who did not want to pay the full annual membership, a booking levy of £2.50 each trip was introduced. As would be expected most customers have opted for the annual fee. The database of members was showing approx 3500 members, however only about 700 of them were active, so the database will be reduced to active members. This simple task will generate a huge cost saving, as the whole database was used for every mail shot, which was printed in full colour, in liveried envelopes and took between 50 and 65 days to complete as opposed to 10 days for the reduced database.

Trans-Vol has very large number of wheelchair users (272) amongst its members, who can only travel in the mini buses at a far higher cost to the company than a car, and I think that this very important fact needs to be taken into consideration regarding cost per passenger.

Volunteers:

It was apparent that the previous manner in which volunteer car drivers were reimbursed was contentious and after discussions with other CT schemes and the Trustees, a new, open and transparent system was introduced. This created some concerns for several of the volunteers, who actually left. Some of these were also trustees and consequently resigned their posts. However since April, the Operations Manager has recruited 9 new volunteers, which is an exceptional feat and as they are now being recruited on days and in areas to suit the business, rather than the volunteer, a big reduction in dead miles and operating costs is predicted.

One of the volunteers is also keen on driving a mini bus, which will obviously reduce the operating costs.

Staff:

The staff costs have been reduced with the departure of the previous Manager and one part time member of staff leaving: Staffing levels as follows:

- 1 x Full time Operational Manager
- 1 x Full time Administrator
- 1 x Part time Administrator
- 4 x Full time drivers.

Vehicle Stock:

The shop mobility vehicle mentioned in last years report was sold prior to April 2013.

The fleet has been reduced from 9 mini buses to 6 and within the next month or so another will be offered for sale, thereby nearly halving the fleet, which will bring huge savings in running costs.

Budgets and Finance:

It has become clear that previous managements figures were very vague and did not really relate to any paperwork or information held in the office.

The Operations Manager has now produced correct data and a realistic budget has been set. The Business Development Officer has been encouraged to work with this budget and to operate a cash flow record.

The working budget is programmed to give a monthly performance against budget which will highlight any concerns before they become problems.

The company has changed to on line banking which again gives greater control over the day to day accounts.

Some financial decisions are being made by the Trustees (without the Operations Manager being involved) that are very costly and in my opinion unnecessary. I.e. commissioning an audit from their accountants to see how cost effective the operation has been since April, all the information that the accountants supplied to the Trustees was given to them by the Ops Manager, and could have been given directly.

New Funding Opportunities:

The Operations Manager has instigated a vigorous campaign to promote their MiDAS training to other organisations and schools etc within the Borough, using their fully qualified trainer. This is proving to be very popular and should be a good income stream.

They are very keen to explore the possibility of operating any local bus routes using the S22 permits available to CT schemes, and will discuss this with TUA.

Applications for grants are actively being researched and to date 3 applications, to different grant giving bodies have been applied for.

Marketing:

The very out dated web site has been redesigned in house and re-launched.

They now have a Facebook and Twitter account.

Had a stall at the recent Big Lunch in Grays Park and the Grays Beach Party.

All of the above activities are helping to raise the profile of Trans-Vol within the Borough.

Collaboration:

The team have been working very closely with Ngage a local volunteer bureau that have been actively sending people keen on driving to Trans-Vol.

The Operations Manager has forged good pro active links with passenger transport at TUA and worked closely with Gavin Bennett who helped her to produce their MiDAS brochure.

The Ops Manager is also working on including the local mobility shop within their next mail shot for a nominal charge. They are also looking at sponsorship ideas.

Conclusions:

The changes in both culture and operational procedures at Trans-Vol since April have, in my opinion, been enormous, and much has been achieved in a very short time. The Operations Manager has had an extremely difficult task in taking over the management of Trans-Vol, but has proved to be very well placed and will I am sure, with the support of the Trustees and TUA, continue to develop and grow both the staff and the business in the coming months,.

There are, as with all CT schemes a few areas still to be tackled.

- The Trustees need to include the Operations Manager fully in ALL operational matters.
- Continue to monitor and cut operating costs.
- Vigorous fundraising needs to be implemented, such as donation boxes on the buses, so that tips go to the company and not the driver.
- Recruit a volunteer to steer and target fundraising, in place of the Business Development consultant. The cost to Trans-Vol for this service has been huge, with as yet no return on investment. The Operations Manager is perfectly capable of producing budgets, forecasts and analysis details.
- Prepare a detailed 3 year strategy and business plan, as a priority, to demonstrate the need for continuing local authority grant funding.
- Actively grow the passenger numbers to decrease the subsidy per head
- Recruit more mini bus volunteers
- Increase their group hire business especially at evenings and weekends.
- Ensure that all relevant councillors, portfolio holders are aware of the big changes that Trans-Vol has made.
- Register with TUA procurement for transport contracts.
- Actively investigate any current or potential S22 routes that will generate good income from concessionary travel passes.

The Operations Manager, will be producing a review for TUA, including the reports that are forming the basis for sound financial management at Trans-Vol.

From these, it is apparent that to continue to transport the most vulnerable and socially isolated residents of the Borough, Trans-Vol will need to have substantial financial assistance from TUA, for the foreseeable future, and it is in my opinion, totally unrealistic to expect this operation to become self sustaining.

Report on

Trans-VolThurrock

**T.Tickner C.E.O. Brentwood
Community Transport**

A review of Trans-VolThurrock 18th June 2012

TRANS-VOL

Methodology

Information for this report was obtained from David Mehegan Transport Director, March 2011 Annual Report and Accounts and a visit to Trans-Vol office Thameside Complex Thurrock.

Introduction

Tina Tickner CEO Brentwood Community Transport was asked as a neighbouring Community Transport scheme to review Trans-Vol on its set up and services offered to the residents of Thurrock

Governance and the role of Trustees

Trans-Vol has a board of 12 Director/Trustees made up of volunteer drivers, users of the service, local councillors, and people with strong financial experience. They meet 4 times per year

Sources of Funding

A Service Level Agreement (SLA) was issued to Trans-Vol by Thurrock Unitary Authority for £276,000 which ceased in 2007. No services were cut with the reduction of funding. Trans-Vol management committee released current reserves.

A 12 month Grant Agreement is now in place with Trans-Vol and Thurrock Unitary Authority for £197,000. Quarterly payments to be made until March 2013.

Expenditure

Trans-Vol fuel cost is reflected on the number of miles the vehicles cover. Trans-Vol has high vehicle maintenance cost due to ageing vehicles. The vehicle insurance premium is also high due to pending outstanding claims in dispute. Trans-Vol pay for payroll and HR services, IT Support, stationery and printing.

Trans-Vol offer pensions and healthcare to employed staff.

2010-2011 Trans-Vol incurred high legal and professional costs along with bank charges.

Vehicles in service and replacement policy

Trans-Vol currently has 10 vehicles

7 Iveco's

1 VW Crafter

1 Mercedes Sprinter

1 Shop mobility unit 6.5 ton HGV

The VW Crafter and one of the Iveco vehicles are new to the fleet.
A decision was made by the board of Trustees to release £90,000 of the
minibus reserve to purchase the vehicles.

Level of service provided to the Community

Trans-Vol offer a very good service to the residents of Thurrock, a very good range of

transport helping to reduce social isolation, better quality of life and assisting with independent living.

Trans-Vol achieved 39,972 passenger journeys in 2010-2011

They have a good selection of services enabling members to utilise either the social car scheme or accessible minibuses giving members transport options 7 days a week.

The summer and Winter Day Excursions are excellent for giving members the option to travel outside of the area and to have a day of social interaction with other members.

Pricing Structure

The cost per passenger journey was increased in Jan 2011 by 10% A further 5% increase from 1st April 2012

The current charge for travel on minibus services for each single journey

Any distance within Thurrock

Member £2.40 per

person Escort £2.00 per
person

Visits to Basildon

Member £3.10 per person

Escort £2.60 per person

Social Car journeys 45p per mile No min charge

Booking system

Trans-Vol invested into a new software booking system CATSS.

This system used to its full capability will assist with enabling the scheme to work more cost effectively by reducing scheduler time and vehicle dead miles. It also provides correct statistics without the need to keep endless amounts of excel spread sheets.

The data is backed up to CATSS main data base in the event of Trans-Vol having a server problem the data can be recovered.

Unmet Demand

Trans-Vol cannot always fulfil demand on the service due to buses being out of service

due to maintenance work.

Deployment of Staff

Trans-volcurrently have 11 paid staff

This is made up of 4 full time drivers, 2 full time Admin, 1 part time driver, 2 part time admin and 2 as and when drivers. They have 7 volunteers who drive for their social car scheme.

Training

In 2010-2011 Trans-Vol trained 29 candidates in Midas Training. MIDAS is a nationally recognised standard for the assessment and training of minibus drivers.

Trans-Vol is fortunate to have both a qualified DAT (Driver Assessor/Trainer) and PATS (Passenger Assistant Trainer)trainer on its staff.

The current charge for this service is £65 per candidate

Key performance indicators and management information

The key performance indicators required by Thurrock Unitary Authority are submitted quarterly.

The data requested is:

Total Number of members

Total Number of Volunteers working for Trans-Vol

Average net cost per passenger journey

Number of miles undertaken by Trans-Vol (split into mileage with passengers and mileage without passengers)

Total number of journeys not carried out

Number of single journeys undertaken by Trans-Vol

Number of passengers transported to hospital appointments/clinics

Number of passengers transported for social purposes

Maximising opportunities

Trans-Vol was successful in receiving funding to set up the Rural and Urban bus along with the shop mobility unit.

Value to the community

Trans-Volis very valued to the community who access their services provided. They offer a large range of services enabling transport options, by providing transport solutions for the vulnerable adults of Thurrock

Challenges faced to continue offering the services they currently provide

Bus Services Operators Grant – 20% reduction from April 2012

Reduced funding from Thurrock Council compared to previous years

Lack of a robust volunteer network

Ageing vehicles

It must be noted along with challenges comes opportunities of which Trans-Vol must investigate.

Comparison of Services

Trans-Vol

Charges per service

1st April 2012

Single Journey

Within Thurrock (member) £2.40

Single Journey to Basildon £3.10

above Reduced rate for escort Passenger pays all the dead miles

Brentwood CT

Single Journey

Within Brentwood £3.00 min. charge

Then 50p per mile over 6 miles

Journey outside Borough - As

Passenger pays all the dead miles

No charge to escort only membership fee.

Number of Passenger Journeys April 10 – March 11

Social Car Service 12,805

Mini Bus (Dial A Ride) 5,677

Group Hire 15,743

Urban Bus 1,208

Rural Bus 525

Shopping Trips 1,544

Day Trips 2,414

Orsett Hospital Bus 56

TOTAL 39,972

Cost per passenger journey £4.93

Social Car Service 8,965

Accessible Vehicle
(Dial A Ride) 3,108

Group Hire 10,61

ECC School Contract 2,68

South West Essex

Care Trust Contract 27,28

TOTAL 52,646

Cost per passenger journey £1.83

Funding April 10 – March 11

£197,000 Thurrock Unitary Authority

£69,712 Essex County Council

£26,536 Brentwood Borough Council

Brentwood LSP 12 month funding

SWE PCT Contract

ECC Tendered School Contract

Donations/fundraising

Number of Paid Staff 12

7 full time, 2 part/time, 3 as & when.

Number of Paid Staff 11

2 full- time, 6 part/time for contract work

3 part time for

CT

Number of Volunteers 7

Number of Vehicles 7 & Shop M

Fuel Cost £29,121.00

Vehicle Maintenance Cost £30,701.00

£15,912.85

Vehicle Insurance £8,180.00

Vehicle Hire £9,734.00

Total number of vehicle miles 100,449

Vehicle cost per mile £1.29

Community Transport Review

Number of Volunteers 40

Number of Vehicles 7

Fuel Cost £13,895.00

Vehicle Maintenance Cost

Vehicle Insurance £ 6,063.75

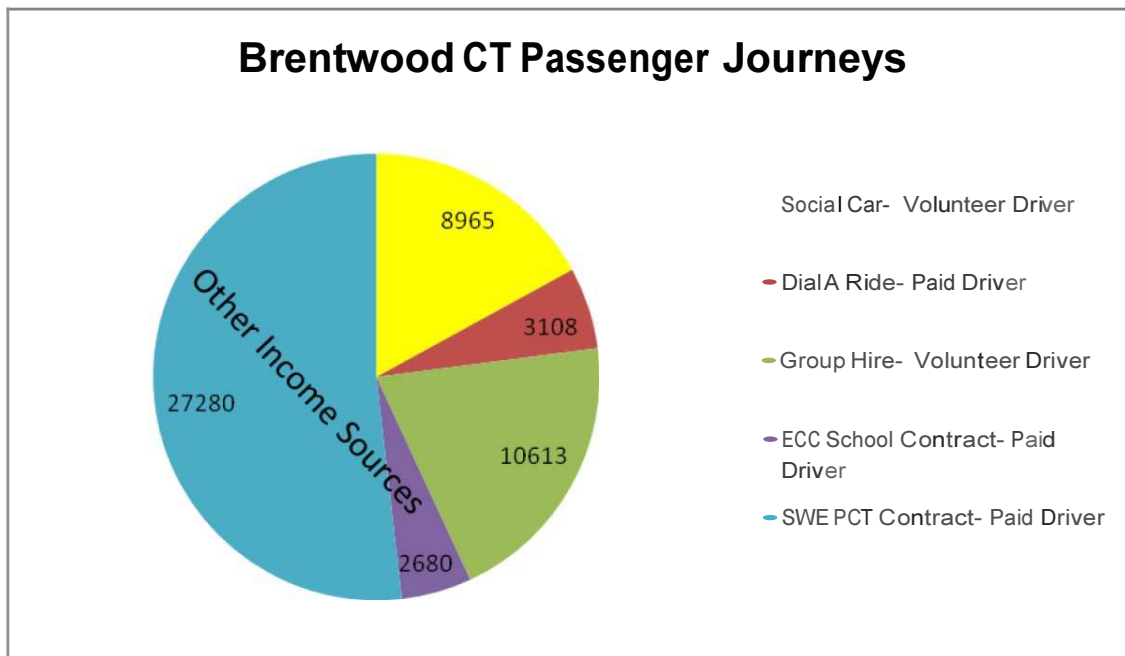
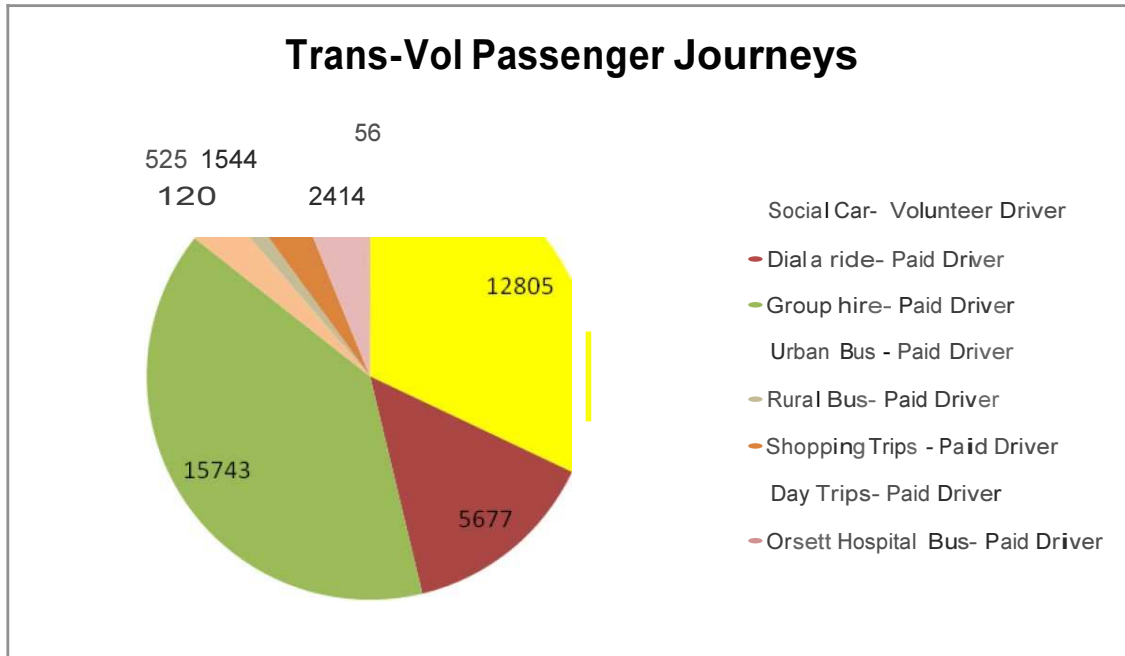
Vehicle hire £9,542.00

Total number of vehicle miles 64,917

Vehicle cost per mile £1.43

Vehicle hired to support fleet during maintenance work
Vehicle hired for contract work

Trans-Volis totally reliant on Thurrock Unitary Authority funding.
 68% of passenger journeys are completed with Paid drivers.
 32% of passenger journeys are completed with Volunteer drivers.



14% of passenger journeys are completed with Paid drivers.
 86% of passenger journeys are completed with Volunteer drivers.

Brentwood Community Transport income is not solely reliant on Essex County Council

/Brentwood Borough Council.

57% of passenger journeys result from other income sources

Current Fleets

Trans-Vol Vehicles

Y567 TKR
OV09 FWG
EY04 BYS
EY04 BYT
EX51 XCM
EU03 RXC
KE04 MVA
EY04 BYX
GN11 DZK

LK09 EHB Shop mobility Unit

Both schemes have ageing vehicles, which are in need of replacing and have high maintenance costs.

Brentwood CT Vehicles

Y527 LPU
EO52ECD
GN55TUV
GN09 HBH
LV03 EUZ
YX60 CKF

Marketing

Trans-Vol office is based 2nd Floor Thameside Complex Orsett Road Grays Essex

On the ground floor is the Library and Theatre booking office with a café, there is no evidence of any advertising of Trans-Vol services

The name Trans-Vol does not give an indication of its services.

Trans-Vol website is out of date and very misleading on cost of service

Recommendations

1. Visibility to the community

- i. A display banner in the foyer of the office building to advertise the service.
- ii. Re brand the name Trans-vol to incorporate Community Transport.

2. Improving the financial position

- i. Generate funding from other sources.
- ii. Better utilisation of a volunteer workforce.
- iii. Introduce a membership charge of £10 per year for individual users and £20 per year group membership in line with all other Community Transport schemes working in Essex.

31st March 2011 Trans-Vol had 4,223 registered users.
- iv. A 3 year Service Level Agreement in place with incentives for Trans-Vol to source other income funding.
This would provide stability and assist decision making to secure the long term future, with only a 12 month agreement in place Trans-Vol is in an unpredictable and uncertain situation. .
- v. Trans-Vol management committee to release funding to purchase new vehicles.

3. Future Strategy

- i. At present due to staffing levels the shop mobility unit is not being utilised and not providing the service to the residents for the purpose it was funded. This needs to be addressed immediately. This vehicle is a wasted opportunity in marketing the services of Trans-Vols.
It may become a financial drain on the scheme.

- ii. Pricing structure needs to be reviewed
Trans-Vol reimburses volunteer dead mileage on social car a minimum charge of £3 to be applied to this service.
Cost of excursions with a paid driver to be increased to ensure all costs are covered.

- iii. Analyse all services offered to ensure they are cost effective.
The Rural Bus Club and the Urban Bus Club were set up with challenge funding; this funding has now come to completion. For the continuation of these services is additional core funding essential

- iv. Daily excursions with a paid driver do not appear to be cost effective and require further investigation.

- v. To follow the ECC example of reporting monthly statistics giving a break- down of service passengers and miles – copy attached

- vi. Make better use of the opportunity to generate income from MIDAS/PATS training. Source of income can generate £3,000+ per annum.

- vii. A recruitment drive for volunteers

- viii. Investigate further streams of income Tender Contracts/Section 22
Bus routes utilising the 2008 Transport Act – A good example of
this in the Thurrock area is a Community Interest Company has
taken over route
374
- ix. Actively investigate other 3rd sector non for profit organisations to
build up vehicle brokerage
A pool of vehicles available from other organisations would
reduce the need to keep ageing fleet.
- x. Investigate working together with Thurrock passenger transport on
sharing resources
- xi. Trans-Vol needs to make better use of charitable status and
investigate the options of becoming a social enterprise.
I have seen no evidence of general fundraising in place, such
as quiz nights, charity tins etc. This is an area a volunteer
could take ownership
- xii. Trans-Vol website is very out of date and misleading
Trans-Vol could investigate Thurrock College IT students who
may volunteer to do this as a project for their course work.
- xiii. Thurrock Council funding to be related to performance.

Passenger Journey Numbers Financial year 2011/12												
Service Description	April	May	June	July	August	September	October	November	December	January	February	March
Dial A Ride												
Group hire/Brokerage												
Social Car												
Shopper Buses (section 19)			0								0	
Section 22 Routes												
Total passenger journey numbers	0	0	0	0	0	0	0	0	0	0	0	0
Journeys Unable to fulfill												
	April	May	June	July	August	September	October	November	December	January	February	March
Potential Journey Numbers		0									0	0
												0
Mileage by service Type												
Service Description	April	May	June	July	August	September	October	November	December	January	February	March
Dial A Ride												
Group hire/Brokerage												
Social Car												
Shopper Buses (section 19)												
Section 22 Routes												
Maintenance & Administration												
Total Mileage	0	0	0	0	0	0	0	0	0	0	0	0
Volunteer Numbers												
Volunteer Description	April	May	June	July	August	September	October	November	December	January	February	March
Volunteers on Book												
Active Volunteers												
CO2 Emmissions - Own Fleet												
Litres of diesel		0	0									
Litres of Petrol		0	0		0	0						
Kg of Co2		0	0	0	0	0	0	0	0	0	0	0
Guidance												
Passenger Journey Numbers	For services that you do not provide please enter 0 in the appropriate cell, contracted journeys should be entered under Group hire/Brokerage. Please include social car returns received by the 5th of each Month, returns received after this date should be included in next months figures and this indicated in the emailed submission											
Refused/Unable to Fulfil	Please count Group hire/brokerage that you were unable to fulfil as 1 potential Journey											
Mileage by Service Type	Should you not have social car returns by the 5th, please include the totals you have. Should additional Mileage appear in the following month please add this to that months figures. Please use Miles as your unit of measure											
CO2 Emmissions (Own Fleet)	please enter litres of fuel by type for your own vehicles, if renting vehicles please estimate based on mileage											

Example of ECC Monthly Reporting Template for all Community Transport Schemes

Conclusion

n

Trans-Vol is vulnerable being reliant on one source of Grant Funding. To rectify this situation one of Trans-Vols primary objectives must be to make their business structure wider, more diverse, and more robust.

This can be achieved by investment of resources in establishing new funding streams.

Trans-Vol must look at opportunities for smarter working practices and to investigate options of sharing back office functions.

A number of community transport schemes in Essex have compatible booking systems which could be investigated.

Trans-Vol must also invest time and resources within the community to source additional volunteer workforce for the scheme. This investment works in a partnership, working together with the community recruiting volunteers develops a greater awareness of Trans-vol and its services; it will improve the marketing of Trans-Vol to the community as a whole.

To bring about this, a major culture change in Trans-Vol is necessary. A documented plan must be put into place detailing clear performance objectives over the next three years.

Using the Brentwood Community Transport model as a template a reduction of funding from Thurrock Unitary Authority over three years of 50% should be achievable.

However taking into consideration the demographics of the area Trans-Vol service comparison to the area Brentwood Community Transport service a reduction of 30% of funding over three years would be a more realistic target.

Community Transport Schemes supported by Essex County Council

Scheme	ECC Grant	Third party grants	Other income	Budget	ECC % of income	ROI Return on Investment	FTE	Volunteers	Group members	vehicles owned	vehicles available	Year End Accounts used
Basildon	120,770	100,000	137,612	358,382	34%	2.97	5.70	18	20	5	1	31/03/13
Braintree	105,541	47,000	137,459	290,000	36%	2.75	7.00	154	173	6	-	2011-12
Brentwood	69,930	55,704	155,962	281,596	25%	4.03	6.90	46	47	6	2	31/03/13
Castle Point	61,093		24,940	86,033	71%	1.41	3.00	2	52	4	-	31/03/12
Chelmsford	111,626	90,314	66,401	268,341	42%	2.40	6.00	27	70	6	1	email
Colchester	128,257		124,743	253,000	51%	1.97	6.20	40	10	5	4	31/03/13
Epping	82,539	16,000	88,705	187,244	44%	2.27	4.24	24	217	6	1	
Harlow	121,427	7,570	228,407	357,404	34%	2.94	6.16	13	190	9	2	31/03/12
Harwich	71,493		139,982	211,475	34%	2.96	4.00	7	55	10	-	
Maldon	70,085		79,793	149,878	47%	2.14	2.90	41	80	3	-	31/03/12
Rochford	71,181		24,940	96,121	74%	1.35	4.20	14	53	4	-	31/03/13
Tendring	150,392		273,949	424,341	35%	2.82	10.00	32	250	12	3	
Uttlesford	108,539		204,644	313,183	35%	2.89	2.20	32	77	7	-	31/03/13
	1,272,873	316,588	1,687,536	3,276,997	39%	£ 2.57	68.50	450	1,294	83	14	
<i>Average</i>	<i>97,913</i>	<i>52,765</i>	<i>129,810</i>	<i>252,077</i>	<i>43%</i>	<i>2.53</i>	<i>5.27</i>	<i>35</i>	<i>100</i>	<i>6</i>	<i>1</i>	

Notes:

ECC Grant Consideration should be given to CT's that manage local schemes and limited alternative transport options

Third Party Grant Consideration should be given to CT schemes terms of reference and purpose

Other income Consideration should be given to CT scheme function

Budget Consideration should be given to Management structure

% of income Consideration should be given to CT schemes terms of reference and purpose

ROI Consideration should be given to CT scheme function

FTE Consideration should be given to Management structure

Volunteers Consideration should be given to CT location, purpose and function

Group members Consideration should be given to CT purpose and function

Vehicles Consideration should be given to CT Structure and purpose

Available Consideration should be given to CT terms of reference and function



Thurrock's Community Transport

A Report by The Board of Directors on
Questions raised by the Task & Finish
Group

STATUS REPORT & WAY FORWARD

Update for Thurrock Council
Task and Finish Group October 2014



Thurrock's Community Transport

Contents

Purpose of Report 2

Executive Summary..... 2

1. Since being originally advised that funding will be reduced what has TransVol achieved on becoming self-funding?..... 4

2. What your actual annual costs are?..... 4

3. What does TransVol deliver?..... 5

1. What the consequences of removing the grant would be?..... 6

5. What the consequences of reducing the grant would be?..... 6

Appendix 1 – 2013 Report & Recommendations 8

1. Strengthening business acumen and decision making 8

2. Recruiting immediate new skills into the business/improving efficiency..... 8

3. Improving business checks and controls..... 9

4. Improving governance and adherence to best practice 10

5. Bringing financial and management information and analysis under control.. 10

6. Development of strategic options and target operating models 10

Appendix 2 15

Trans-Vol..... 15

Passenger Survey 2013 – Key Findings 15

Appendix 3 - Thurrock Coalition Paper on PIP..... 18

Purpose of Report

- This Report is designed to answer the specific questions raised by the Council's Task & Finish Group in respect of the withdrawal of all funding from Transvol, the community transport service for the vulnerable people of Thurrock.

Much of the content of this report was extracted (and updated) from a report prepared for the Directors and the Council in 2013, to evaluate the reductions already made that year to the Company's costs and the necessary changes to the Company's operating model needed for the future given the historical and then proposed reduction in Council funding.

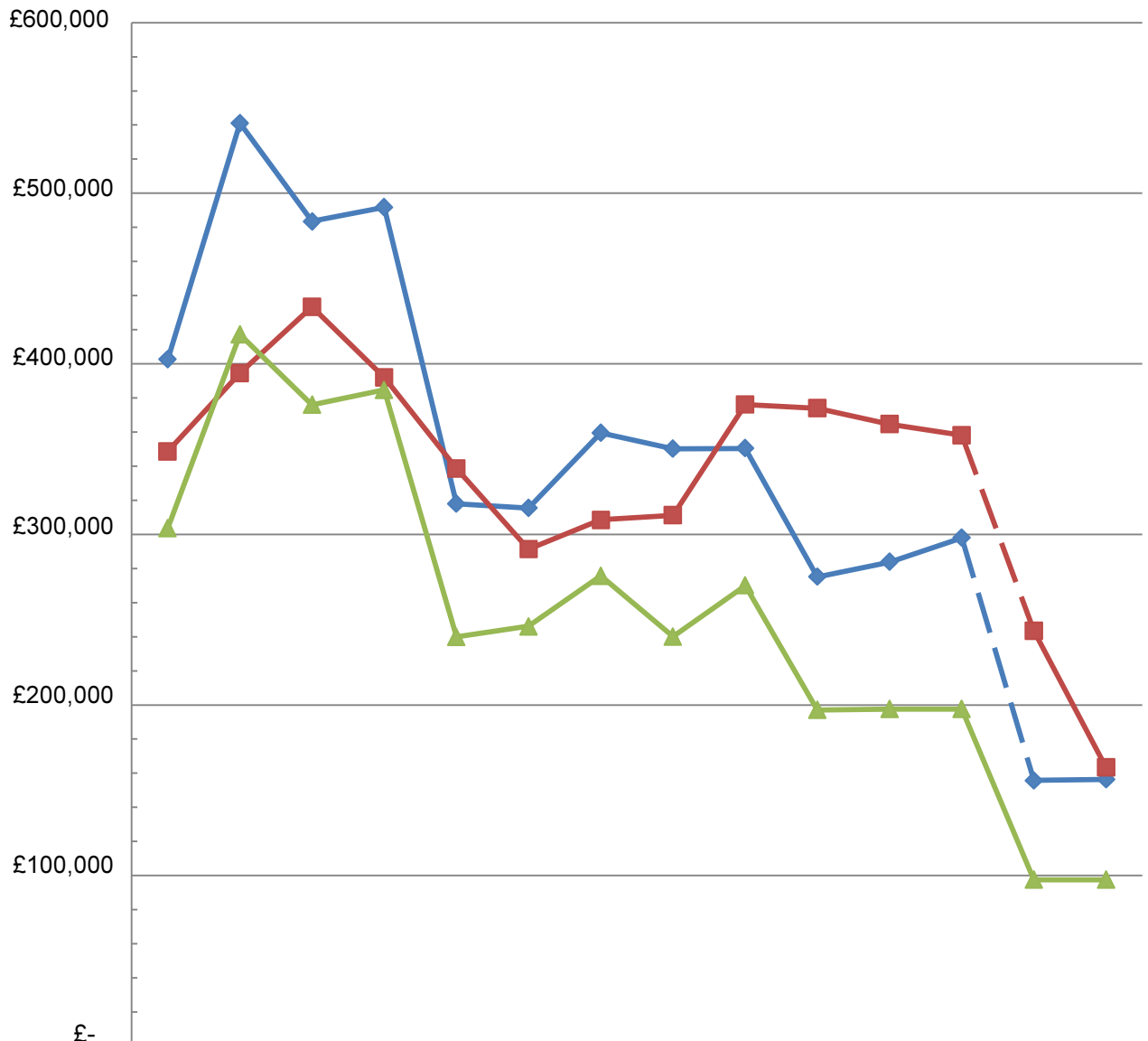
The radical changes proposed in that report have been vigorously pursued and implemented, as is evidenced by the changes to Company's costs.

- Specific Council Questions:
 1. Since being originally advised that funding will be reduced what has TransVol achieved on becoming self-funding?
 2. What your actual annual costs are?
 3. What does TransVol deliver?
 4. What the consequences of removing the grant would be?
 5. What the consequences of reducing the grant would be?
 6. What personal allowances disabled people receive and what these are meant to pay for?

Executive Summary

- Transvol believes it provides a critical service to vulnerable people in Thurrock.
- It believes the benefits of that service are far reaching in wellbeing and financial terms; saving the Council from additional demands for Social care support by maintaining people's independence and preventing social isolation.
- Transvol has demonstrated a willingness and ability to restructure its operations, governance and costs over the last 2 years at a rate far more aggressive than elsewhere in the sector or indeed the Council. This little advertised fact has been done without fanfare or plaudits, and with only marginal impact on services.
- The Directors believe that in delivering the transformation they have, they have demonstrated that Transvol is a service provider worth investing in, and an example to both the Council and other Service providers in showing a willingness and determination to transform.

Trans-Vol Income vs Expenditure



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Actual	2015 Est.
Total Income	£-	£402,155,6	£541,156,2	£483,4	£491,6	£317,9	£315,4	£359,4	£350,1	£350,3	£275,1	£283,7	£297,9	
Total Expenditure		£348,5	£394,4	£433,3	£391,9	£338,5	£291,3	£308,3	£311,1	£376,0	£373,8	£364,5	£357,9	
Council Core Grant		£243,4	£163,3											

Council Core Grant £303,97,40 £417,97,4 £375,9 £384,5 £239,7 £246,0 £275,6 £240,0 £270,0 £197,0 £197,4 £197,4

1. Since being originally advised that funding will be reduced what has TransVol achieved on becoming self-funding?

and

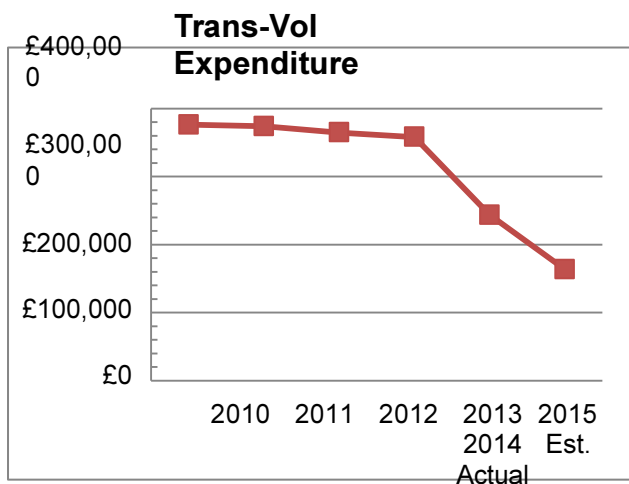
2. What your actual annual costs are?

The Board of Directors and management of the Company have undertaken a number of step changes since early 2013 to bring the Company's governance, operation and overheads under control and stabilised, and to develop a new business model going forward.

These included obtaining (with the Council's support), a review of its operations by the head of a community transport organisation from outside the borough, the appointment of temporary business development officer to investigate fund raising and overview the operational practices, and the commissioning of an investigatory report into the Companies financial and management information by the Company's auditors.

In October 2013, the Company prepared a report for the Board (shared with the Council at the time) outlining the steps already taken, and additional ones planned to move the Company to a new operating model (see Appendix 1).

The recommendation was that to achieve this re-engineered service would require Council core funding of £150,000 in year 1, reducing to £100,000 in years 2 and 3, with a prospect of reducing costs further thereafter. For comparison, the Company's total costs in the prior year had been £357,979.



As a consequence of this and other measures, operating costs for the year ended March 2015 are forecast to reduce year on year by a further 33% to £165,683 (making a total reduction of 54% over the 2 year period).

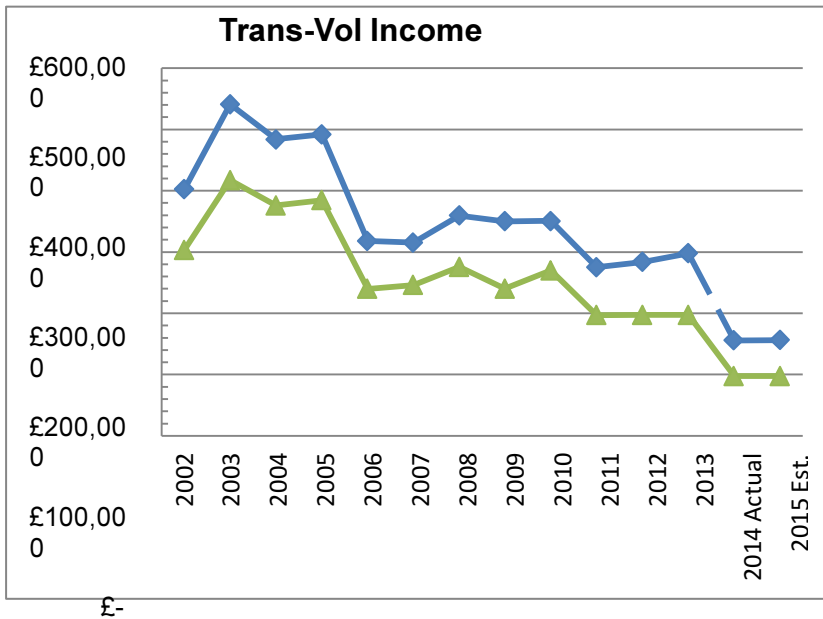
Conversely, non-grant income has risen by 20% (forecast), up 35% compared with the year ended March 2013, largely on the back of raising fares and membership fees.

The net of these changes is that the Company anticipates it's operating shortfall will approximately equal this year's grant funding of £97,400, leaving a

broadly breakeven or marginally positive financial position for the year (for the first time since 2009). However, accumulated years of trading deficits have resulted in minimal reserves.

The Company continues to examine and implement other restructuring opportunities, including establishing contact with other transport organisations. Attempts to contact with more tangential organisations (e.g. TNT who were believed to have shown interest in large metropolitan schemes previously) have proved unsuccessful but we would be keen to explore this option.

Thurrock Council funding over the last 10 years has fallen to 23% of its peak level.



Additionally, in each of the past 4 years, the Company has had to wait past the financial year end to know what funding it would receive, and then each offer was for that financial year. This has made planning and fundraising very difficult; leaving the Company little time to react.

The changes reported to the Council in 2013 concluded that to achieve the re-engineered service would require Council core funding of £150,000 in year 1, reducing to £100,000 in years 2 and 3, with a prospect of reducing costs further thereafter. For comparison, the Company's total costs in the prior year had been £357,979.

Thurrock Council subsequently agreed a one year payment of £97,400 for the year ended April 2015.

In August 2014 we were told there would be no more funding.

3. What does TransVol deliver?

Trans-Vol is Thurrock's only Community Transport Scheme. Formed in 1999, it has charitable status, and offers a critically important transport service to the vulnerable people of Thurrock; helping to reduce social isolation, improving quality of life and assisting with independent living. Its contribution to the prevention of escalating social care need (and associated costs) into substantial and/or critical is self-evident, but almost impossible to measure in monetary terms.

Trans-Vol is well known amongst its target audience, and remains a popular service with a data base of approx. 1,613 passengers and a core frequent user base of 472 –producing some 15,000 plus journeys per year, many of which are for wheelchair and mobility scooter dependent individuals who have little alternative and no public transport option.

Services include enabling members to utilise either the social car service or accessible mini buses to various appointments in the borough – including accessing health related appointments and day activity centres and clubs in the day or evening (e.g. accessing the Stroke Club), shopping for essential sustenance (not everyone can access on-line delivery services).

Summer and winter day excursions are very popular; members' are able to enjoy social interactions they would not otherwise be able to access, or travel beyond the borough to nearby notable locations. Many members find accessing alternative public transport impracticable or impossible, and restriction or withdrawal of services would undoubtedly increase social isolation and erode ability to sustain independence and self-care; increasing the cost of direct support from both the authority and health.

Trans-Vol staff are trained to identify signs of potential care need and/or health problems and are able to raise concerns to the central office in case of need (for onward transmission as appropriate).

Transvol currently undertakes approximately 15,000 journeys a year.

See Appendix 2 for results of the 2013 Customer Satisfaction Survey.

1. What the consequences of removing the grant would be?

and

5. What the consequences of reducing the grant would be?

Operationally, removal of the entire grant would immediately impact services. Firstly the Directors would be advised of their obligations and personal liability under the law in respect of trading whilst insolvent. In addition, the Annual report and Accounts would need to be qualified to the effect that the Company should not be regarded as a going concern (by law, this statement has to cover a period 12 months from the signing of the Accounts).

These issues would undoubtedly begin to impact the Company's ability to trade (e.g. having vehicles serviced and repaired on normal trade credit terms, ability to use and service Fuel Card accounts).

The Directors would be obliged to consider the timing of winding up the charity appropriately, meeting all its outstanding trade and HMRC obligations, and its statutory redundancy payments.

Within this context, the Directors would then assess whether there were existing reserves sufficient to contemplate moving to an unfunded service, and whether that option were sustainable.

The Company has 4 key areas of operations and costs:

- a. Operations (e.g. drivers, insurance, van related maintenance and running costs etc.)
- b. Booking service (e.g. IT system, staff, phone system)
- c. Overheads (e.g. management of staff and assets, premises)
- d. Governance (e.g. auditors, accountancy, payroll, company insurance etc.)

It is likely that the normal van based transport services would have to cease; with all paid drivers (5) made redundant and the vehicles sold. This would also remove all capability to transport wheelchair and mobility scooter passengers.

The remaining 2 staff involved with booking would also need to be made redundant, and an investigation begun to establishing a more limited availability booking service to manage the volunteer driver fleet, based on volunteers with potentially 1 paid, part-time manager.

What Services Could Be Provided?

No funding

With a volunteer only service utilising private vehicles the services would only be able to provide day-time only journeys for non-wheel chair dependent individuals. No clubs or group outings would be available unless appropriately qualified drivers could be sourced on a volunteer basis. In any event, our experience is that such an arrangement is hard to set-up and difficult to sustain with the hours volunteer drivers are willing to donate and their commitment to regular participation, and would require vehicles being hired for specific occasions.

Despite a recent recruitment drive to increase the volunteer driver base, currently only 15% to 20% of journeys utilise the volunteer driver service, accounting for only some 2,500/3,000 trips out of the current 15,000.

At this level of service it is questionable as to whether the service is worth continuing.

Partial Funding

The outcome here is of course entirely dependent upon what funding is available. However, assuming say funding at £50,000, guaranteed for say three years, it is feasible to contemplate reducing the service in different ways, illustratively:

- Moving the booking service to a volunteer only basis
- Relocating premises and down-sizing
- Moving the Company into a larger company structure, finding synergies in administrative costs, reducing and removing governance costs (e.g. avoiding a solus audit fee)
- Using existing reserves to fund transition to a new model
- Downsizing the fleet to smaller vehicles
- Sharing vehicles and drivers within a larger company pool of resource
- Increasing income by leveraging the remaining fleet to secure commercial transport contracts by restricting availability during peak times.

Full costings and forecasts would need to be prepared and the timetable for moving to a newer model worked. Fundamentally, the existing Directors would have to agree to the proposal, which would likely remove them from post.

The change in service would be much less dramatic than the no funding route, but there will inevitably be some loss in service, with the consequential impact on the vulnerable customer base.

6. What personal allowances disabled people receive and what these are meant to pay for?

Please see attached Appendix 3, a briefing paper on the new Personal Independence Payment benefit, prepared by Thurrock Coalition.

Appendix 1 – Copy of original 2013 Report & Recommendations

Since the beginning of 2013, Trans-Vol has been in a process of a fundamental review and re-engineering of its governance, operational, financial systems and processes. As a consequence there have been a number of significant changes within the organisation, all designed to bring the organisation back under control, to install a new, more efficient and appropriate business model, and to move towards a more commercially sustainable business based on information and knowledge.

During this review process, a number of policies and practices have come to light which have required significant investigation and remediation, covering operations management, management information reporting, financial management, and governance. The Board of Directors now believe that it has completed this investigatory and remediation stage, and can now focus on delivering a new operating model, appropriate to the current environmental circumstance.

In summary, the major changes have been:

1. Strengthening business acumen and decision making
2. Recruiting immediate new skills and improving efficiency
3. Improving business checks and controls
4. Improving governance and adherence to best practice
5. Bringing financial and management information and analysis under control
6. Development of strategic options and target operating models

1. Strengthening business acumen and decision making

There appeared to be some weakness in the current staff structures and board membership.

Action:

By mutual agreement, the Chief Executive position was disestablished in March 2013, and the incumbent made redundant. The Board of Directors was strengthened by the recruitment of additional resource, experienced in business and financial management, governance.

The Operations Committee structure was disbanded, with monthly meetings of the full Board undertaken with appropriate record keeping.

Decision making lines were shortened with the departure of the Chief Executive; the Operations manager is now reporting directly to the Board and attending all meetings.

In order to keep decision making fast and responsive, the Directors resigning from the Board (see 3. below) have not been replaced.

2. Recruiting immediate new skills into the business/improving efficiency

Following early discussions with officers of the Council and in the context of the report compiled by Brentwood Community Transport in 2012, it was apparent that there was an immediate need to identify a series of “quick wins” in improving the operational and financial position of the Company.

Action:

To manage through these changes, a part-time business development consultant was retained who could assist in defining a new membership and travel tariff structure, work with the Operations Manager to identify operational and other efficiencies, and begin a search for additional funding outside of the Council.

This work has been completed with a new pricing structure established and made operational in July 2013. Annual membership can now be purchased for £10, with non-members still allowed to travel, but levied an additional £2.50 for each trip (on top of the fare).

Fares have been increased to £3 for trips less than 4 miles, and £4.50 over 4 miles. Escorts/carers are charged a flat £2 per trip.

In addition, excursions and day trips are now costed and charged appropriately, but with an emphasis on keeping journey times/distance reasonable/close (to reduce costs).

A re-launch of the MIDAS training and associated charging was undertaken to maximise the opportunity for additional income. Now achieving some £5K per year.

In terms of raising external financing, using their network of business contacts and other leads, the contracted business development manager has gained in principle agreements for one-off charitable funding of between £20,000 and £30,000.

However, every potential sponsor has confirmed that no formal and binding agreement for monies will be forthcoming without first receiving written confirmation of the Council's funding for next year. So we feel in a catch 22 situation. We need some funding commitment beyond the current financial year in order to prove sustainability and so attract external finance..

The mini-bus fleet has been reduced from 9 to 6 (currently), and the paid driver pool allowed to reduce to 2 FTE by agreed compromise agreements with a reduction in the cost of the drivers terms and conditions.

3. Improving business checks and controls

It has been evident that a number of practices and inadequate control processes have been allowed to develop over time. Illustratively, contracts for services (e.g. vehicle tracker) have been maintained, but the information and indeed need for the system has never been reviewed.

Whilst vehicle checks and certification of the mini-bus fleet has been fastidious, management of the volunteer driver service has been less considered. It was realised that a greater use of these volunteers was efficient and a successful recruitment campaign was undertaken via Ngage.

Action:

All income is reconciled back to the journey commissioning system to account for income. Scheduling of drivers is done to minimise "dead" mileage to collections, and incurring of subsistence for meal breaks. Drivers collected fares are immediately paid to the company, and then they only claim their mileage.

Following the new recruitment campaign, a new panel of volunteer drivers is operational and although modest in absolute terms, accounted income has increased markedly.

A forensic audit by the Company's auditors has provided invaluable information on the Company's actual activity, and its reconciliation to the financial drivers within the current operating model.

A number of contracts for example - the supply of IT support - have been reviewed and either cancelled or fees negotiated downwards.

4. Improving governance and adherence to best practice

There was some anxiety around the governance of the organisation and this was reviewed.

Action:

It is in the context of the Charities Commission guidelines and Company's own constitution that Directors were advised that their position as both Directors and volunteer drivers was seen as untenable and as a consequence they decided to resign their directorships.

Transvol is thus currently quorate with 6 Directors – three of whom use the service.

5. Bringing financial and management information and analysis under control

Not uncommon amongst companies that have historically had an initial period substantial positive cash-flows and surplus cash balances (as TransVol did), is the absence of development of sufficient financial information and forecasts.

Action:

The Company's Auditors were commissioned to undertake a forensic examination of the financial records that do exist, and thereafter to construct an accurate picture of the current position, current expenditure rates, and forecast for the remainder of the year 2013.

They were also asked to examine the source data of management information, to compare and validate this information against all manual logs and records kept for every driver and van, and then to produce robust information on the relative costs associated with the core operations of the business; namely volunteer drivers, mini-bus services, and overheads and booking service.

This information has been invaluable; enabling the Board and Operations Manager to fully understand the scale and nature of the Company's position. As a result, the Board has been able to create a clear plan for the next 2/3 years (see later), as well as build a robust and detailed financial budget going forward.

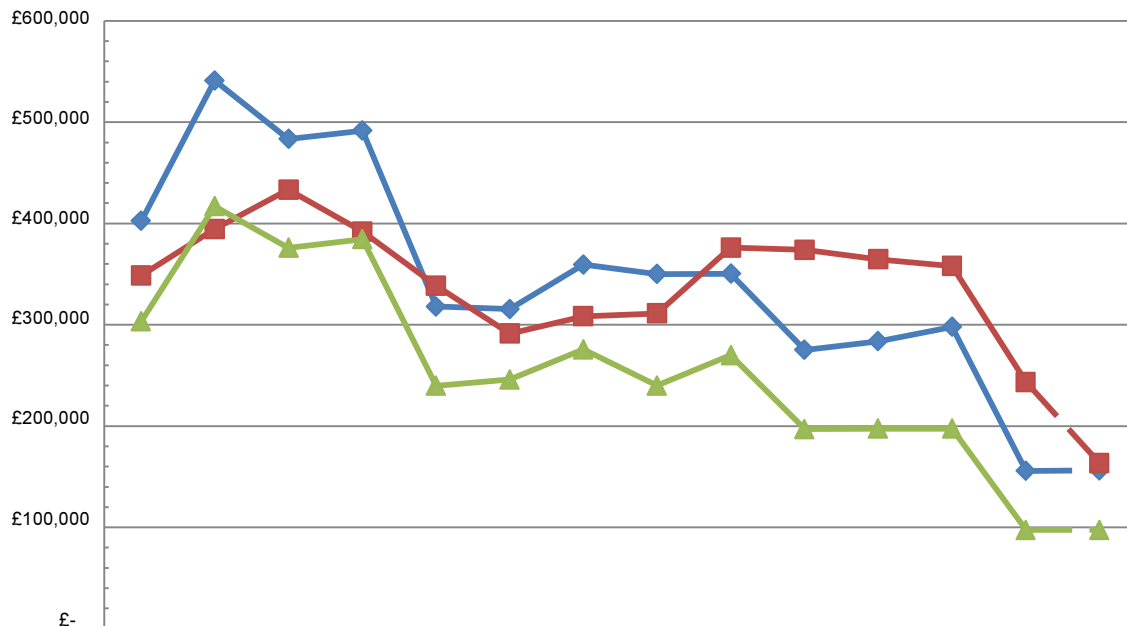
6. Development of strategic options and target operating models

Trans-Vol had operated a material operating deficit for the 6 years up to 2014.

As the following chart illustrates, in the period from 2010 until the year ended March 2013, the core grant received from Thurrock Council dropped by £72,600 p.a. (27%) from £270,000 to £197,400.

However, even in the face of these reductions in funding, total operating costs over the same 4 year period were relatively stagnant, reducing by only £18,967 (5%).

Trans-Vol Income vs Expenditure



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Actual	2015 Est.
Total Income	£402,439	£541,069	£483,419	£491,689	£317,942	£315,453	£359,442	£350,113	£350,336	£275,105	£283,771	£297,937	£297,937	£97,400
Total Expenditure	£348,587	£394,454	£433,339	£391,912	£338,588	£291,315	£308,375	£311,162	£376,092	£373,885	£364,582	£357,979	£357,979	£97,400
	£303,389	£417,097	£375,913	£384,517	£239,741	£246,000	£275,600	£240,000	£270,000	£197,000	£197,400	£197,400	£197,400	£97,400

The result has been the draining of accumulated reserves by £264,535, to leave only a modest balance attributable to members at the beginning of the current financial year. At the same time, the current fleet of vehicles has aged with no programme for replacement, leaving a high maintenance cost and poor reliability. This aspect further drove previous management to retain “spare” vehicles to act as contingency for breakdowns, but so increasing vehicle overheads in tax, insurance, safety certification and of course basic non-age related maintenance.

Action:

The accumulated actions outlined above have reduced the total expenditure for the financial year ended March 2014 by £114,496; i.e. by 32% of the previous year’s expenditure.

However, core funding from Thurrock Council for the year fell dramatically to £97,400; just over half the prior year’s funding. As a consequence, there was a further diminution of reserves by some £85,000.

It was clear to the Board in 2013 that it could no longer allow the negative cash-flow to continue and that a fundamental change was needed to both the cost structures and operating model for the business. It has vigorously pursued and delivered those changes. However, notwithstanding this, it is clear that operating the service for the vulnerable people of Thurrock is providing a valuable and substantial improvement in the wellbeing of those residents using the service, whom without it might well accelerate their need of additional support from Adult Social Care and other services at substantial cost.

Thus as the Company re-examines how to deliver best value, so the Council will need to re-consider its own budgetary constraints and opportunities to support the service at a realistic level, particularly with a view to accessing monies lying outside the traditional “transport” budgets, and look also to opportunities from otherwise prescribed as “prevention” monies in other directorates.

Current Financial & Operating Model

As mentioned previously, the Company's Accountants were commissioned by the Board to undertake a forensic level examination of both financial and other management information.

With this grounding, the Board has undertaken its own analysis of cost drivers and service provided, the results of which are contained in an 8 page report which was presented to the Board in October 2013.

Synopses of the major findings in that report are presented below:

- By the end of this financial year, the Company will have cash reserves in the order of £75,000. However, some £30,000 is retained for redundancies, leaving only £45,000 of free reserves.
- Given the current expenditure rate, the Board is only able to consider continuing to trade beyond March 2014 if it can comfortable that the financial budget for the year was at least break-even.
- If expenditure was constrained to the current run-rate (i.e. down nearly 1/3 on the year ended March 2013), and assuming the undertakings obtained by the Business Development Consultant are delivered and the income derived by the company from its members and customers is maintained, the net operating deficit needing to be covered by Thurrock Council for the financial year 2014/2015 would total approximately £150,000.

The Board recognise the scale of requirement of the Council in ever challenging financial circumstances, and with this in mind, proposes further changes to its operating model going forward:

The business and cost-base of the Company can be divided into 3 basic components;

1. The mini-van service (sometimes denoted "dial-a-ride"), including day trips and excursions.
2. The volunteer-driver car service.
3. The overheads and booking operation.

Comparison of the first two areas of service reveals some stark (if obvious) contrasts in the fully absorbed costs of each area. The following table was constructed on the figures covering the months of April to August. They do not include the passenger figures for day-trips.

Prepared by JHP 14/09/2013		<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Total</u>
Mileage	Minibus	6,729	6,586	5,150	6,455	5,300	30,221
	Car	1,812	2,006	1,500	1,750	641	7,708
Net Cost per mile	Minibus	1.25	1.12	1.09	1.24	1.19	
	Car	0.24	0.22	0.10	0.09	0.06	
No of journeys	Minibus	1,192	1,174	957	1,155	1,000	5,478
	Car	201	239	184	228	73	925
Net Cost per journey	Minibus	7.03	6.28	5.86	6.92	6.31	
	Car	2.18	1.87	0.82	0.69	0.50	
No of Net Cost per passenger	Car	212	249	188	229	73	951
	Minibus	6.61	5.71	5.60	6.51	5.65	
	Car	2.07	1.80	0.81	0.69	0.50	

The conclusions are clear:

- The costs of transporting people by mini-bus are 9 to 10 times more expensive than by volunteer-driver. Invariably the paid driver and cost of maintenance, depreciation and running costs are higher, but passenger load/utilisation per trip is woefully low.
- The mini-bus service is typified by fixed costs, whereas volunteer drivers are fully variable.
- The number of journey's being taken by mini-bus is a factor of having the vans in place plus an insufficient number of volunteer drivers, rather than the actual demand for this size and capability of vehicle (i.e. wheelchair accessible).

There are of course other factors which need to be accommodated; illustratively a recent recruitment drive for new volunteer drivers has increased the pool of resource, however the reliability of that resource is sometimes challenging. Additionally, whilst the use of mini-buses for short haul work is expensive, their utility and contribution when used to run the day-trips and occasional evening club runs is indispensable.

The Board have therefore agreed further actions to take forward (subject to securing the funding outlined above) as follows:

Proposed Way Forward

1. Recruit a volunteer fund raiser to further enhance the Company derived income. The focus will be not just on sponsorship monies but also in generating social activities for members which can also assist in generating funds for the service.
2. Undertake a "full-bore" recruitment drive for volunteer drivers through local media with an appropriate budget (say up to £10k); illustrating the terms and contribution such a service provides.

We will also recruit volunteer drivers for accessible transport.

3. Reduce the number of paid drivers. Dependent upon 1. above, this may have to be a gradual process to maintain capacity (and so income).

The target operating model may retain some paid driver hours to facilitate day-trips and unsocial hours driving, but this will be assessed going forward according to need.

In order to maximise the reduced driver hours, the roles will need to be 4 x part-time roles of 18.5 hours per week each, combined into a shift pattern.

4. Replace all current mini-buses with small/medium wheelchair accessible vehicles (as opposed to the current up to 18 seat models). Typically these will be styled more like an accessible taxi, having capacity of say one wheelchair or scooter and 2/3 ambulant passengers/carers.

These replacement vehicles will be acquired on lease-hire basis. Current enquiries show a substantial potential saving in all areas of cost when compared to the current fleet, including terms which include replacement vehicles are supplied as and when needed (e.g. to cover maintenance).

5. The changes mentioned above do impact on the very popular and valuable weekend and evening excursions. However, the Board has negotiated in principle agreements to have non-peak hour/day access to appropriate larger fully accessible mini-buses owned by another company serving the disabled people sector on a highly competitive day rate basis, and so retain the service.

6. Having re-designed the operating model for the service delivery, the next area or re-engineering must be the booking service. Currently bookings are taken by paid staff and on occasion also by the Operations Manager.

Whilst a new booking system has been used for some time, its productivity is unclear.

The Board will commission further investigations of the booking process (including its hours of availability) with a view to reducing the cost of this vital element of the service (which together with overheads accounts for some £80/90k of cost per year).

7. Lastly, in driving down the costs and paid resources of Trans-Vol, and particularly the removal of position of Chief Executive, so new challenges have arisen in terms of day to day leadership, oversight and control. Whilst the current Operations Manager is fully engaged in the day-to-day running of the service, there is no resource dedicated to managing either the corporate entity or its further development, other than the time volunteered by the Directors.

Given the current financial position of the Company, the Board believes that a full-time Chief Executive is neither affordable nor necessary. The degree of managerial supervision required, and the limited opportunities for corporate development suggest a part-time post may be sufficient, although recruitment of a suitable individual on such terms may be problematic.

Longer term therefore, the Board will look to an alternate governance model, potentially merging the company into another body corporate with complementary aims and values. Such a body should operate within Thurrock, ideally serve a similar constituency of vulnerable people, and have the financial and operational capability and capacity to offer synergistic savings in areas such as book-keeping, Human Resources, Health & Safety, and Audit etc. In addition, the current operational structure could then be managed from existing resource, avoiding the need for a Chief Executive position entirely.

Governance would pass to the structure already existing within the receiving entity, with the existing Board (with its user representation) potentially becoming an advisory board.

The Board believe that the net result of these changes should produce additional savings in the order of £50,000 minimum.

Appendix 2

Trans-Vol

Passenger Survey 2013 – Key Findings

Conducted in March and April 2013, the passenger satisfaction survey was conducted amongst the top 250 frequent users of the service.

Most respondents were contacted by phone by an independent charity to preserve the anonymity of the member.

Q1. Describe briefly what is it you like about Trans-vol ?

1. Overwhelmingly, comments continually refer to the great service drivers give, particularly polite, helpful, safe, pleasant, friendly, considerate and cheerful.
2. Door to door service remains a critical service, frequent comments received.
3. The only form of getting around and would not get out regularly otherwise.
4. Price and reliability are frequent comments.
5. Ability to use wheelchairs and walking aids often mentioned.
6. The ONLY service that really cares for disabled and excluded people in Thurrock

Q2. How often do you use Trans-Vol?

- 60% of our returns said they use the service once a week.
- 30% of our returns said they use the service twice a week
- 10% replied saying occasional or as and when.
- There were many comments stating they would use more if there were no restrictions.

Q3. What do you use Trans-Vol for?

A large range of answers received; most frequent were.

1. shopping
2. visiting clubs
3. day trips
4. visiting doctor/dentist

Q4. How satisfied are you with the service?

Average Score 8

76% of our total returns rated us at 10 which is excellent service

92% of our frequent users who were phoned rated our service at 10 excellent.

Passengers who gave us lower scores appear generally to be happy with the trip however stated other reasons. Namely,

1. Not being able to book more than 7 days in advance.
2. Restrictions on the number of trips they can have.
3. Restrictions on day trip opportunities i.e. more places to go
4. Delay in waiting for picking up passengers en route.

Q5. What would you like to change?

Numerous suggestions were put forward. However 76% of our returns have either not commented on this question or have actually stated they would not change a thing. Of the returns where passengers have commented, top suggestions would be,

1. more vehicles so more availability
2. more drivers so more availability
3. longer lead time for booking
4. Reinstate hospital visits.
5. Would like a Sunday service other than pub lunches/day trips
6. More evening services particularly in the summer months.

Q6. Value for Money

78% of our returns state that they consider the service's value for money as being satisfied or better. 60% rank us 8 out of 10 or higher.

Q7. Are you able to book on your travel choice?

This is a poorly answered question with 40% not answering. Our average score is 6. Whilst difficult to draw conclusions it would suggest some passenger dissatisfaction.

Q8. Would you recommend Trans-Vol to friends?

92% of our survey have answered yes they would recommend our service.

Q9. What is the most convenient way of booking?

86% of our survey said they use the telephone to make bookings, 7% said they call at the office the remainder used email or did not answer.

Q10. What times would you like Trans-Vol to operate?

Very inconclusive given that passengers tended to tick multiple boxes The all times box is regularly ticked along with weekdays 9 till 5 .The only deduction we can safely conclude is that passengers would like as many working hours as possible 7 days a week.

Q11. What would you be willing to pay for a fare increase this year?

Passengers appear to be well informed of reduced funding and have answered this question candidly. 91% of passengers supported a price increase .

Asked for a willingness to pay between £2.50 up to £3.00.

- 55% said they were willing to pay £3.00 for a fare
- 25% prepared to pay £2.70.
- 12% did not answer the question.
- the remainder gave other amounts..

Q12. Would you consider paying an annual membership?

- 77% of those who replied said they would be prepared to pay an annual membership.

The survey asked for a fee suggestion.

- The two top answers were £5 or £10 although there were extremities of up to £50.

Many of the replies stated comments or further questions. Of the comments it was reasonable to conclude:

- Would pay if it kept/improved the service
- What would I get in return?
- Can I get more bookings if I pay the membership?
-

Given it was a straight forward question with no real detail; it would suggest support at this stage.

Appendix 3 - Thurrock Coalition Paper on PIP



Thurrock Coalition

Briefing Paper on Personal Independence Payment & Implications for Transport in Thurrock

Introduction

Personal Independence Payment (PIP) replaces working age Disability Living Allowance (DLA) from April 2013. To get the personal independence payment (PIP) you must be aged 16-64.

PIP is an added-costs benefit, (i.e. providing Disabled people with the means to meet the added costs of living with an impairment each and every day of their lives), be that the additional costs arising from (but not limited to) transport, housing, education, employment, diet, heating, energy, water.

PIP is not means tested and is payable to Disabled people who are in or out of work. In fact, it enables a lot of people to travel and to access the communities in which they live - be that through use of the cash payment to use as needed to book appropriate accessible transport services which offer greater flexibility, accessibility, freedom, choice and control than public transport and taxis, which are often much more costly.

The Eligibility Rules for PIP

- Satisfy the daily living and/or mobility activities test (see the Appendices to this paper) for 3 months prior to claiming and be likely to continue to satisfy this test for a period of at least 9 months after claiming. You will not necessarily have to wait 3 months from your date of claim before getting PIP as the qualifying period starts from when your eligible needs arise and not from when you make a claim.
- Pass the residence and presence tests - You will not be able to claim PIP once you are 65 years old but you will be able to stay on PIP if you claimed or received it before you reached the age of 65. (If you are over 65 you can claim attendance allowance)

- You can receive PIP whether you are in or out of work.
- The weekly amounts of PIP are as follows:

Daily Living Component:

standard rate	If you have a limited ability to carry out daily living activities - £53.00
enhanced rate	If you have a severely limited ability to carry out daily living activities - £79.15

Mobility Component:

standard rate	If you have a limited mobility - £21.00
enhanced rate	If you have a severely limited mobility - £55.25

- If you have a terminal illness (that is if you are suffering from a progressive disease where death can be expected within 6 months) you will automatically receive the daily living component enhanced rate. You will also be able to apply for the mobility component and receive it immediately if you qualify.
- If you are in a care home you will be entitled to the mobility component so long as you satisfy the qualifying conditions.
- If you are paid PIP you are free to spend the money in the way that suits you best.

PIP and Transport

The new PIP thresholds are much stricter than DLA, meaning that thousands of people who currently receive DLA are unlikely to be entitled to PIP, leading to increased isolation, decreased mobility, lack of social inclusion, interaction and

participation increased risk of poor health, mental health conditions, reduced well-being, morbidity, mortality.

Under DLA, a disabled person is usually entitled to the higher rate if they are unable to walk more than 50 metres. Under PIP, the relevant distance is reduced to 20 metres.

Personal Independence Payment, as with DLA, is a vital source of independence for Disabled people. The Enhanced Rate is much more difficult to obtain than the current "Higher Rate" equivalent of DLA.

The positive impact of entitlement to the Enhanced Rate of PIP will be multi-faceted in improving full enjoyment of civil, social, economic and cultural rights of Disabled people, particularly given the effect of "passporting" to other schemes such as (but not limited to) Motability, Disabled Persons Railcard and Disabled Persons Buss Pass. The strict eligibility criteria means that vast numbers of Disabled People will suddenly become ineligible and have to seek support from statutory services and other sectors.

The new 20 metre distance threshold under PIP is very low and serves only to constrain the independence of Disabled people rather than to champion and support disabled people to exercise full choice and control over their daily lives. The new 20 metre threshold will have a disproportionate impact upon disabled people who can move between 20 metres and 50 metres.

20 metres is an insufficient walking distance for a person to carry out out-of doors daily moving activities for example, getting to a bus stop, walking to a shop or even from a parked car and using a shop, even if they can rest before returning to the car. This in turn means that the demand for an accessible door-to-door transport service for disabled people, older people and people with limited mobility will increase. People who currently qualify for a Motability car, who can walk more than 20 metres but no more than 50 metres would then lose their support, car or scooter, and potentially their job. They would then present an immediate need for alternative accessible transport solutions such as Trans-Vol. Often, bus stops/stations or other transport hubs are not close enough to people's home to allow them to catch a bus or train for all journeys to the shops, hospital, G.P. or to visit friends.

Many Disabled people only use public transport as a last resort as the journeys are often long ordeals filled with apprehension, which in turn lead to extensive exhaustion and pain. Door to door, accessible transport services are much better suited to offer this key and vital service to people with restricted mobility and wheelchair-users, young and old alike, who would otherwise have no choice but to be trapped in their homes with no prospect of a good quality of life and well-being. PIP is a vital lifeline to enable Disabled people to live independently. If they were to lose this benefit, this would lead to social isolation, not being able to move far enough to get to public transport, not being able to access social networks, friends, families and in turn resulting in reduced choice and control around how and when to

try and leave the house. Wider consequences are also likely to include severely reduced inclusion, participation and involvement and even the potential onset of mental health problems and a need for costly intervention from social care, health and other statutory services, leading to a greater need for more frequent journeys to the G.P. and/or hospital for the individual and also greater cost implications for national and local authorities in the long term.

Thurrock Coalition – August 2014

Appendices

The Eligibility Tests relating to Personal Independence Payment

The Activities Tests:

In order to qualify for PIP you will have score a certain number of points in relation to 12 activities. These are:

- Preparing food.
- Taking nutrition.
- Managing therapy or monitoring a health condition.
- Washing and bathing.
- Managing toilet needs or incontinence.
- Dressing and undressing
- Communicating verbally.
- Reading and understanding signs, symbols and words.
- Engaging with other people face to face.
- Making budgeting decisions.
- Planning and following journeys. (used in the test for the mobility component)
- Moving around. (used in the test for the mobility component)

The assessment model is deficit-based (i.e. focussing upon things that individuals are unable to do):

- Each activity has a set of descriptors. Points are awarded for each activity that you cannot do based on whether you fit a descriptor within those activities. If you can show that a descriptor applies to you for 6 months within a 12 month period you will be awarded the appropriate points. If more than one descriptor applies you will be awarded whichever descriptor gives you the most points.
- For a descriptor to apply you must be able to reliably complete the activity as described in the descriptor. 'Reliably' means whether they can do so:
- **Safely** –the activity must be unlikely to cause harm to you or to another person.
- **To a necessary and appropriate standard** – given the nature of the activity.
- **Repeatedly** – as often as is reasonably required.
- **In a timely manner** – in a reasonable time period.
- If you have a fluctuating condition the most appropriate descriptor will be the one which is likely to apply for the greatest proportion of that time.
- If you are waiting for further treatment, the descriptor that applies to you will be based on your existing situation rather than based on assumptions about any future improvement in your health.

Entitlement Thresholds:

- The entitlement thresholds (pass mark) for the rates and components of the PIP are:
- Daily Living component (activities 1 to 10)
Standard rate: 8 points
Enhanced rate: 12 points
- Mobility component (activities 11 to 12)
Standard rate: 8 points
Enhanced rate: 12 points

How will the Activities Tests be applied?

- An independent healthcare professional will look at your claim and any medical evidence from your GP or consultant, if you have one.

- You may have to attend a face-to-face consultation with the independent healthcare professional. If so you will be able to take someone with you such as a family member or carer.
- The independent healthcare professional will then advise a benefit decision maker at the Department for Work and Pensions who will be the one who actually decides if you are entitled to PIP and which component applies.
- The decision maker will also decide the length of your award and the date when it will be reviewed, based on the likelihood of your health condition or impairment changing.
- Depending on your circumstances you may get a short award of up to 2 years or a longer award lasting up to 5 or 10 years. If you are given a longer award you may still be contacted, during this time, to see if your needs have changed.

PIP and DLA

- If you are currently receiving disability living allowance (DLA) and you are between the ages of 16 and 64 you will be sent a written invitation to claim PIP to see if you satisfy the rules for the new benefit.
- If you pass the PIP test you will be awarded it straight away. You will not have to meet the PIP 3 month qualifying period but you will have to satisfy the 9 month test.
- There are currently no proposals to migrate you onto PIP if you are a child under 16 or an adult on attendance allowance or over 65 and claiming DLA.

PIP and 16 year olds

- If you are receiving DLA as a child, from October 2013 your parent/guardian will be sent a letter once you are 15 years and 7 months old telling you about claiming PIP.
- If your 16th birthday is before October you will be asked to complete a DLA renewal form instead and be reassessed for PIP at a later date, after October 2013.

PIP and Carer's Allowance

- The Government intends that both the daily living components of PIP will act as a passport to carer's allowance in the same way as the middle and higher rate care component of disability living allowance.

PIP and Motability

- It is intended that you will be able to qualify for Motability Scheme help if you are receiving the enhanced mobility component of PIP.

PIP and "Passporting"

- The DWP will be working with the Department for Transport (DfT) and the devolved administrations in Scotland and Wales to decide how people on PIP will be "passporting" to help with transport needs and costs. Currently the higher rate mobility component of DLA is a passport to: automatic qualification for a Blue Badge, eligibility for concessionary travel (free off-peak travel on local buses), exemption from Vehicle Excise Duty, the age at which a driver licence can be issued (16 instead of 17) exemption from payment for a medical examination for the purpose of obtaining an exemption from wearing seat belts

Timetable for the Introduction of PIP

- April 2013 – An initial pilot of a few thousand new PIP claims in the North West and parts of the North East of England.
- June 2013 – All new claims will be for PIP.
- October 2013 - Reassessment/migration of anyone whose DLA award is due to end or who report a change in condition and young people who reach the age of 16.
- October 2015 - Full reassessment/migration as part of rolling schedule using a random national selection, including those with a lifetime or indefinite award of DLA .

