



**Community
Transport
Association**

**CTA response to the
Draft Budget 2015 – 2016:
Spending and savings proposals within the
Department for Regional Development**

16 December 2014

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About the Community Transport Association (CTA)

The CTA is a national membership association which leads and supports community transport to be successful and sustainable in England, Wales, Scotland and Northern Ireland.

It provides leadership by promoting community transport and influencing the development of better strategy, policy, regulations and investment at all levels of government.

It provides support by advocating high standards of practice and providing advice, information, training and hands-on support that helps operators work to these standards. The CTA is a Designated Body and the main provider of S10b permits to community organisations in Northern Ireland.

Community transport enables people to live independently, participate in their community and to access education, employment, health and other services. It uses and adapts conventional vehicles to do exceptional things – always for a social purpose and community benefit, but never for a profit.

Using everything from mopeds to minibuses, typical services include voluntary car schemes, community bus services, school transport, hospital transport, dial-a-ride, wheels to work and group hire services. Community transport is responsive, accessible and flexible.

Our membership consists of over 1500 organisations of which the CTA represents 152 organisations in Northern Ireland. These organisations consist of groups ranging from large charitable community transport organisations to small church groups. Along with our members we also work with a wider group of stakeholders in government, the transport industry and voluntary sector, who all want the very best for their communities and see community transport as integral to achieving that.

Contact Details

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CTA Response to the Draft Budget 2015/2016

Introduction

The CTA has considered the Draft Budget within the current economic climate. While a reduction in expenditure was anticipated, the size of the 'cut' was not. In comparison to other Departments the DRD has a higher percentage reduction. Transport is facing the most drastic reduction in services. It is likely that this will lead to bigger demands on public services as a result of increased isolation and reduced independence therefore having a specific negative impact on: rural dwellers, older people, women and people with disabilities.

For the purposes of this response the CTA will focus on transport services supported by DRD. In particular we will discuss the Rural Transport Fund (RTF) and the Transport Programme for People with Disabilities (TPPD).

For the purposes of this response CTA will respond to the budget impacts to transport.

Reduction in funding for community transport services

The CTA is concerned the Department suggests a reduction in budget for both the RTF and the TPPD without providing financial detail in the consultation document.

The Department has been able to detail the reduction to Translink but only states there will be a negative impact to both RTF and TPPD in Section 4, Page 28: 'Impacts of 2015-16 draft Budget Outcome on the 9 section 75 areas:'.

Any reduction in funding to either the RTF or TPPD will have a catastrophic impact on the lives and well-being of older people, people with disabilities and people living in rural areas.

By not detailing the expected reduction in financial support it leaves the following service suppliers unable to plan for the future:

- 11 Rural Community Transport Partnerships
- Disability Action and;
- Bridge Accessible Transport

As the Department is not providing details, each community transport organisation is left 'in limbo'. They are unable to mitigate against the reduction in grant and the impacts it will have on their charities as they will not have time to:

- Consult with community to prioritise service delivery

- Provide notification to the community about changes to services including fares review
- Assess the impact of reduction of services (S75, rural, volunteering etc.)
- Give staff statutory notice of redundancy (if required)

The reduction in Translink services can be mitigated against by two actions:

- Increase of fares
- And utilisation of reserves.

However, neither of the above options are open or appropriate to suppliers of services for the RTF or TPPD due to the following constraints:

- **Not permitted to increase fares:** Community transport organisations are restricted by S10b permit regulations. Under the S10b permit transport must be delivered on a not for profit basis. Fares must only cover the operating cost of delivering transport. Fares may not generate profit or be set to create profit.
- **Utilisation of reserves to cover operating costs:** Unlike Translink charities are unable to use reserves for purposes outside of their 'Reserves Policy'. Charitable reserves are limited to known liabilities, such as: redundancy costs or depreciation of equipment. If a charity is expected to use reserves to subsidise a government service then the Board or Trustees could be trading illegally – by using the redundancy fund they will be operating outside Charity Commission guidance and Corporate Law.

Reduction in support for community transport

In the coming years there will be a radical change to both the RTF and TPPD due to the introduction of the Integrated Transport Strategy, Bus Operator Licensing outcomes, EU legislation harmonisation of driving licenses and volunteering opportunities. Now more than ever the community transport sector needs support. Support that will enable currently funded organisations to go through significant strategic, operational and practical change in order to meet the needs of both the Community and the DRD.

The CTA is currently funded through the RTF and has sustained a 39.5% reduction in funding in the last 3 years. We have reached the stage where further reductions will significantly reduce support within Northern Ireland. Our programme of driver training (MiDAS), training for Board members and transport managers (Minibus Management and Minibuses and the Law) may no longer be delivered in our country. This will have implications for the safe delivery of passenger-centred transport by the community sector.

The CTA has been asked by officials, in advance of consultation completion, to bid for a decreased budget in 2015-16. CTA argues that more financial

support should be made available to meet the demands of both transport suppliers and DRD officials for the reasons highlighted above.

With the reduction in Translink services more people will be turning to the community sector for help i.e. without a local public transport service the only lifeline to provide access to services will be community transport. . Community transport and the CTA will be under increased pressure to meet Community needs and deliver DRD's own vision of '...services which improve quality of life'.

Now is the time when DRD should seek to invest support for the community transport sector not aim to reduce services, especially when community transport will fill the gaps created by the withdrawal of Translink routes from rural towns and villages.

Community Transport is Value for Money

The Department receives an incredible return on investment from both the RTF and TPPD.

- The RTF grant equates to under £4million annually.
- The fund enables community organisations to deliver transport solutions that reduce social exclusion and isolation for people with mobility issues.
- The RTF grant supports and encourages volunteering particularly in rural areas – this enables the community to 'self-help' by delivering access solutions using a mix of community owned minibuses and volunteers own cars.

The TPPD programme enables people living in towns and cities, aged 85+, and people with disabilities to be able to get out and about. For many TPPD beneficiaries public transport is not a viable option as the bus stop is too far to walk to or the service does not meet their mobility needs. The TPPD programme delivers the only viable access option for people who would otherwise be 'house bound'.

Both programmes deliver community-led transport solutions for older people and people with disabilities often at times of the day and days of the week when alternative transport is not available or would be too expensive. With the proposed cuts in funding to these programmes it is inevitable that they will lead to an increase in social isolation and reduced independence. Further strain will also be put on other public services and potentially cost more in the long run.

Small reduction has a huge negative impact

Even the smallest of reduction to either RTF or TPPD budgets will have a negative impact on specific Section 75 groups including: older people and

young people, people with disabilities and women. It will also have a specific negative impact on people living in rural areas, people on low incomes and people with limited mobility due to poverty, age, illness or disability.

The amount of money invested in community transport is marginal in comparison to the amount used for Translink and concessionary fares. By maintaining the RTF and TPPD fund at its current levels DRD can assure older people and people with disabilities they are not being used as 'easy targets'. Even the DRD have identified that a reduction in funding will have a 'Major' negative impact on people with disabilities (see page 30 of the DRD consultation document).

Conclusion

Community transport is in a strong position to help communities respond to reductions in public spending, but they will need resources to enable them to do so. The CTA urges DRD to reconsider any reduction to both the RTF and TPPD budgets.

Reduction to budgets means a reduction in frontline delivery of services for the most vulnerable people in our society. In targeting vulnerable individuals the Department will reduce mobility, prevent people from accessing local services such as health centres, the impact will see a reduction in 'quality of life for all'. This is in complete opposition to the Department's own vision.

The negative impact to older people and people with disabilities will lead to long term expenditure across both the DRD and all government departments. This short term reduction in budget could have the potential to have very long reaching cost implications for many years to come.