

11 June 2014

Passenger Transport Unit
County Hall
Bythesea Road
Trowbridge
Wiltshire
BA14 8JN

Dear Consultee

Proposed changes to Link scheme grants

You may be aware that the Council's 2014/15 budget, agreed earlier this year, included a proposal to make a saving of £25,000 by withdrawing the payments of 5p/mile that are currently made to the Link schemes. It was also suggested in the Council meeting at which the proposal was discussed that the other grants currently paid to the Link schemes through Community First might be redirected through the Area Boards. The purpose of this letter is to give notice of the proposal to cease making the 5p / mile payments, and to seek the views of the Link schemes and other interested parties on both this and the possible changes to the way the other grants are paid.

5p / mile payments

These payments were introduced in 2010/11 as a result of changes to the concessionary bus pass schemes that had been inherited from the previous District Councils. Some of the Districts had offered either travel tokens or vouchers to their residents as an alternative to receiving a free bus pass, and it was decided that, rather than replicating this across the county, it would be more cost effective to offer a mileage-based grant to the Link schemes so that they were able to reduce the amount of the voluntary donations sought from their users, and to increase their capacity to provide transport for people who were unable for whatever reason to make essential journeys by bus.

All Link schemes are eligible to claim the grant, which is paid at the rate of 5p per mile operated on transport tasks. In 2013/14 the total value of grant paid was £37,046, of which £10,000 came from the annual surplus in the ordinary Link grants budget (see below) and the remaining £27,046 from the concessionary fares budget which it is now proposed to remove. The payments received by individual Link schemes during the year ranged between £100 and £4,300 according to mileage operated.

Link scheme grants

The Council has for many years made funding available for grants to the Link schemes, in recognition of the extremely valuable role they play in providing essential transport for people in the area they serve. The Council's funding of £45,000 per annum is paid via Community First, who (alongside their role of supporting and promoting the Link schemes) administer the grants according to agreed criteria. The value of the grant varies according to the size of the scheme (number of tasks completed per year) and ranges from £5,200 per annum for the largest schemes to £500 for the smallest. There is however a 'reserves rule', and a grant is only paid if a scheme has financial reserves equivalent to less than 6 months operating costs. This ensures that the grants are targeted at the schemes who need them most; however, in recent years there has been a reduction in the number of

schemes who are eligible to claim (possibly due to the effect of the 5p / mile payments), and surplus funding has been used to contribute to the mileage payments, kept as a reserve for schemes who may become eligible during the year, and to fund development projects.

The proposals

1. The funding pressures on local authorities have significantly worsened since the 5p/mile payments were introduced in 2010/11, and many authorities have had to withdraw locally agreed non-statutory enhancements to the national bus pass scheme, which are not funded by central government. Wiltshire Council will be consulting later this year on proposals to withdraw use of the free bus pass before 0930 on weekdays, which is another non-statutory enhancement. In this context **it is proposed to withdraw the 5p/mile payment to the Link schemes**, which originated as an alternative to the free bus pass for certain types of trip. It is expected that this will make a saving to the Council of £27,000 in a full year.
2. There is no proposal to reduce the £45,000 per annum budget for Link scheme grants. However, **it has been suggested that the annual grant funding might be transferred to the Area Boards to administer**, in line with the Council's preferred approach of delegating local funding decisions to the Boards. It would be necessary to allocate a share of the current budget to each of the Area Boards; views are sought on how this might best be done, although it is suggested that the fairest approach might be to allocate shares of the funding on the basis of mileage operated in the previous financial year. The Area Boards would then have discretion to allocate funding to their local scheme(s) as they saw fit, from the allocation they had been given for this purpose and / or from other funding available to them.
3. Wiltshire Council recognises and values the vital contribution made by the Link schemes to their local communities, and is keen to make sure that the funding it will continue to make available is used in the most effective way, to support the schemes and enable them to provide the maximum amount of essential transport. **We would welcome alternative suggestions for how the annual grant funding could be used** to achieve this.

Please send your responses to the above proposals to me, preferably by email to ian.white@wiltshire.gov.uk, or by post to the Passenger Transport Unit, Wiltshire Council, County Hall, Trowbridge BA14 8JN (attention of Ian White). **The closing date for responses is 30 August 2014**, following consideration of which a decision will be made by the Cabinet member for transport.

Yours sincerely



Ian White
Head of Service Passenger Transport

Direct Line: (01225) 713322
Fax Number: (01225) 713565
Email: ian.white@wiltshire.gov.uk