

RENEWAL OF JOINT FUNDING AGREEMENTS FOR COMMUNITY TRANSPORT

1. INTRODUCTION

- 1.1 The purpose of this report is to seek approval to extend the current funding agreements New Forest District Council (NFDC) has with Hampshire County Council (HCC) so as to allow existing Call and Go (previously called Dial a Ride, Wheels to Work (moped loan) scheme and Community Transport Services (includes mini bus brokerage and linked training for the voluntary sector) to continue until 31 July 2017.

2. BACKGROUND

- 2.1 This has been set out in previous reports:

- Call & Go Cabinet decision Oct 2008 at <http://www.newforest.gov.uk/committeedocs/cab/CDR04199.pdf> .
- Wheel to Work & Community Transport Services (also referred to as Community Transport Workers post) Portfolio Holder March 2009 decision at <http://www.newforest.gov.uk/committeedocs/p-tphd/CDD04714.pdf> .
- Portfolio Holder Decision May 2012 at <http://www.newforest.gov.uk/committeedocs/p-tphd/CDD07608.pdf> . This approved the current funding arrangements up to 31 March 2015.

- 2.2 The main changes since then have been the reduction of some bus services.

- 2.3 The new arrangements are being progressed on the basis that NFDC will still be putting a similar/same amount of money into funding Community Transport (CT) taking account of inflation increases. It is hoped that this will result in the current level of service provision being maintained. For the services that are to be tendered this will depend on the tender prices received.

- 2.4 The current contracts are all between HCC and Community First New Forest and expire as follows:

(i) Community Transport Group Hire ('Transport Worker's Post')	Ends 31 March 2015
(ii) Call & Go	Ends 31 March 2015
(iii) Wheels to Work Moped loan scheme	Ends 31 July 2015

The arrangements proposed by HCC for renewal or extensions of these contracts are as follows:

- (i) Community Transport Group Hire: as before, it is expected that this will be awarded as a single tender contract to Community First New Forest with effect from 1 April 2015 to 31 March 2017. The value of the contract in the first year being equivalent to the current contract value with an allowance for inflation;
- (ii) Call & Go: existing tendered contract to be extended by two years to 31 March 2017;
- (iii) Wheels to Work Moped loan scheme: to be competitively tendered with a two year initial contract term to run from 1 August 2015 to 31 July 2017.

2.5 The County Council needs to know if NFDC is willing to continue to fund community transport up to July 2017 before it starts the process of new arrangements for these Community Transport services.

2.6 HCC's intention is that County and District Councils will continue to work together in partnership, with decisions about the award of contracts being made jointly. Tenders will be assessed both on price and quality.

3. PROPOSALS

3.1 The proposal is for NFDC to enter into new binding funding agreements with HCC for the following services with NFDC's contribution. The new arrangements will be progressed on the basis that NFDC will still be putting a similar/same amount of money (see Financial Implications below) into funding Community Transport (CT) taking account of inflation increases:

- Call & Go and the Community Transport Group Hire contracts - each council contributes 50% of the required funding.
- Wheels to Work. The NFDC contribution likely to continue to be a little lower than 50% of the cost of delivering the service in the New Forest.
- See 2.4 (i) – (iii) above for periods covered.

HCC also make additional "contributions in kind" as HCC deals with procurement as well as general and contract administration.

3.2 The current Agreement to Contribute is attached as Appendix A. This will form the basis of any future funding agreement. Any changes will be checked by NFDC's Head of Legal and Democratic Services and amendments made if required before it is signed by an authorised NFDC officer. HCC are aware of the concerns of NFDC and other district councils about the impact of anticipated future reductions in Government grant. HCC feel that letting new contracts that cover only a 12 month period will not deliver value for money. However experience has shown that value for money can be achieved if the contracts are for 2 years or more. A longer period than proposed, see above, would tie NFDC into a rigid

funding commitment and given the financial uncertainties this is not being recommended.

- 3.3 If NFDC decides not to enter into new funding agreements it is anticipated that the CT services will at the very least be significantly reduced as HCC are most unlikely to make up the sum equivalent to NFDC's current contribution.
- 3.4 Another option would be for NFDC to offer to fund CT services for more than the proposed period. This may get tenders that offer a little greater value for money but NFDC would be tied to a fixed funding commitment longer than is considered necessary. In turn this would limit options for future reductions in expenditure so is not being recommended.

4. ENVIRONMENTAL IMPLICATIONS

- 4.1 None arising out of the recommendations. If recommendations not approved the CT services could be severely reduced. This would result in a small increase in car journeys.

5. FINANCIAL IMPLICATIONS

- 5.1 No significant implications arising out of the recommendations. It is anticipated that any costs, including those linked to price increase (inflation) clauses in the contract and small increases to the current contract costs, can be accommodated within current budgets. The current funding arrangement is due to end on 31 March 2015. NFDC officers have made it clear that its future contributions must be close to current sums which are:

NF Community Transport Services	£12,400	Includes assistance to voluntary transport sector and CFNF** transport services
Wheels to Work	£7,300	Assistance for young people to get to work by moped (short term arrangement).
NF Call & Go	£26,000	Assistance for elderly/disabled people and others who do not have access to public transport.
TOTAL	£45,700	

*Mini bus brokerage/training **Community First New Forest

- 5.2 If the recommendations are not approved then there will be savings of the sums referred to above. However these may be partly offset if NFDC decides to contribute towards mini buses that charities may want to purchase. Before there was a mini bus brokerage scheme charities would apply to NFDC for a contribution towards the purchase cost. Some applications were successful. After the mini bus brokerage scheme was introduced charities were encouraged to use mini buses available through the brokerage scheme.
- 5.3 It is anticipated that in the tenders for Wheels to Work the price will be capped at the current budget (with allowance for inflation) and that only bids that are within budget are likely to be evaluated. Costs should therefore not increase but there may be a small reduction in service if bidders cannot absorb current cost

pressures, such as increases in the price of fuel and insurance. The County Council will consult with NFDC before the award of a contract should this situation arise.

5.4 HCC has been made aware that NFDC will not agree to a significant increase. This report is not seeking any increase to the base budget. If that appears necessary to maintain the current level of service a separate business plan expenditure bid will be progressed.

5.5 The current Agreement to Contribute attached as Appendix A includes a termination clause (see Clause 9 for details) which means the NFDC is in a position to end its funding should that be deemed necessary. NFDC will seek to ensure any new agreements includes a similar clause.

6. CRIME AND DISORDER IMPLICATIONS

6.1 None.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 None provided recommendations accepted. Given that CT benefits people with disabilities and those who suffer the effects of deprivation any reduction in CT services will have negative implications especially as there have been some reductions to local bus services.

8. ENVIRONMENTAL IMPLICATIONS

8.1 The identified proposal allows the current levels of community transport services to be retained thus encouraging the use of community transport.

9. CONSULTATIONS

9.1 NFDC officers working in partnership with HCC and other Hampshire Districts.

10. PORTFOLIO HOLDER COMMENTS

10.1 The New Forest District covers a large geographical rural area. Many residents do not have a car or access to existing bus routes, so it is important that this Council supports alternative transport schemes to enable these groups to get into our towns and to work. Without this help, sectors of our community would become isolated. The three schemes described in this report are jointly funded by NFDC and Hampshire CC and have operated successfully for many years. This report recommends that we continue with the existing arrangements for a further three years and is fully supported by the Councillor Group.

11. RECOMMENDATION

- 11.1 That Cabinet agrees that New Forest District Council enter into new funding agreements with Hampshire County Council as set out in this report up to July 2017 so as to allow existing Call and Go, Community Transport Group Hire and Wheels to Work services to continue beyond March 2015.

FURTHER INFORMATION: Please contact Nick Hunt Principal Engineering (Transportation) Tel: 023 8028 5588 E-mail: nick.hunt@nfdc.gov.uk	BACKGROUND PAPERS Published papers E-mails between HCC & NFDC in N Hunt's IT Microsoft Office System
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**DEED OF AGREEMENT
FOR JOINT FUNDING OF COMMUNITY TRANSPORT SERVICES
CONTRACTED THROUGHOUT HAMPSHIRE COUNTY COUNCIL
(see attached)**

FUNDING PARTNERS

Hampshire County Council of The Castle, Winchester, SO23 8UJ (the "County Council")
New Forest District Council of Appletree Court, Lyndhurst, SO43 7PA ("NFDC")

DETAILS OF PROJECT

The purpose of this Agreement is to affirm the following:

1. principles behind the funding;
2. roles and responsibilities of the funding partners;
3. mediation; and
4. termination

...in respect of the Community Transport services (the "Services") specified in this Agreement and procured under contract (the "Contracts") by the County Council.

1. PERIOD OF AGREEMENT

The period commencing on 1 February 2013 and ending on 31 March 2015 and thereafter subject to extension(s) of further periods upon agreement of the funding partners.

2. THE SERVICES

The Services shall be as specified below:

- i) the community transport scheme, which offers affordable minibus hire to voluntary and community groups (the "Group Hire Service")
- ii) the New Forest Call & Co service (the "Call & Go Service")
- iii) the Wheels to Work moped loan scheme for young people ("Wheels to Work").

These Services are supplied to the County Council by Community First New Forest under contract in consideration of the price payable under each contract (in each case: "the Contract Price").

The County Council confirms to NFDC that contracts have been entered into between the County Council and Community First New Forest for provision of the Group Hire Service, the Call & Go Service and the Wheels to Work Service on or prior to the date of this agreement.

3. FUNDING: GROUP HIRE SERVICE

From 1 February 2013, NFDC shall contribute to the Group Hire Service contract awarded by the County Council which commenced on 1 October 2012 as shown in the table below.

Financial year	Contract Price £ per annum	NFDC Payment £ per annum	Terms of payment	Date due
2012/13	23,680.90	11,840.45	Monthly @ £986.70	15 th of each calendar month

On 1 April 2013 and in subsequent years on 1 April the County Council shall agree to an adjustment to the Contract Price for the Group Hire Service in line with inflation. The adjustment will be calculated by reference to the All Items UK Consumer Prices Index ("CPI") annual rate of inflation published by the Office for National Statistics. The CPI figure used shall be that published in March of each year, relating to the previous 12 month expiring at the end of February.

The funding contributions to be paid by NFDC as shown in the table above shall be increased in line with the inflation adjustment on the Contract Price for the Group Hire Service paid by the County Council.

4. FUNDING: Call & Go Service

NFDC shall contribute to the Call & Go Service contract awarded by the County Council that commenced on 1 February 2013 as shown in the table below:

Financial year	Contract Price £ per annum	NFDC Payment £ per annum	Terms of payment	Date due
2012/13	49,392	24,696	Monthly @ £2,058	15 th of each calendar month

On 1 April 2013 and in subsequent years on 1 April the County Council shall agree to an adjustment to the Contract Price for the Call & Go Service in line with inflation. The adjustment will be calculated by reference to the All Items UK Consumer Prices Index ("CPI") annual rate of inflation published by the Office for National Statistics:

- i) On 1 April 2013 the inflation increase shall be CPI + 0.55%. The CPI figure used shall be that published in March 2013, relating to the 12 month period expiring at the end of February 2013.
- ii) On 1 April 2014 and subsequent years the annual inflation increase shall be CPI only. The CPI figure used shall be that published in March of that year, relating to the previous 12 month period expiring at the end of February.

The funding contributions to be paid by NFDC as shown in the table on the previous page shall be increased in line with the inflation adjustment on the Contract Price for the Call & Go Service paid by the County Council.

5. FUNDING: Wheels to Work

From 1 February 2013, NFDC shall contribute to the Wheels to Work contract that commenced on 1 August 2009 as shown in the table below.

Financial year	Contract Price £ per annum	NFDC Payment £ per annum	Terms of payment	Date due
2012/13	68,637	6,935.55	Monthly @ £577.96	15 th of each calendar month

On 1 August 2013 and in subsequent years on 1 August the County Council shall agree to an annual adjustment to the Contract Price for Wheels to Work in line with inflation calculated by reference to the All Items UK Consumer Prices Index (“CPI”) annual rate of inflation published by the Office for National Statistics. The CPI figure used shall be that published in March of that year, relating to the previous 12 month period expiring at the end of February.

The funding contributions to be paid by NFDC as shown in the table above shall be increased in line with the inflation adjustment on the Contract Price for Wheels to Work paid by the County Council.

6. INVOICES

Invoices shall be addressed to:

Principal Engineer
Transportation Section
New Forest District Council
Appletree Court
Lyndhurst
SO43 7PA

7. ROLES AND RESPONSIBILITIES

The funding partners will have representative membership at the routine meetings with the Contractor as specified in Clause 6.2 in the General Conditions of Contract for the Provision of Passenger Transport Services, Version 3, April 2012, a copy of which is attached.

8. DISPUTE RESOLUTION

The funding partners shall use reasonable endeavours to resolve by agreement any dispute between them with respect to any matter relating to this Agreement. In the event of there being a dispute over any part of this Agreement the matter shall firstly be referred to the County Council’s Community Transport Manager and the NFDC’s Authorised Officer (“the representatives”). In the event that the representatives are unable to resolve any dispute the matter shall be referred to the County Council’s Director of Economy, Transport and Environment or his/her representative and a principal officer of NFDC.

In the event that a dispute cannot be resolved by agreement the funding partners may agree to refer the dispute to mediation by a neutral adviser or mediator (the “Mediator”) who shall be chosen by agreement between the parties or, if they are unable to agree upon a Mediator within 10 Working Days after a request by one party to the other or if the Mediator agreed upon is unable or unwilling to act, either party shall within 10 Working Days from the date of the proposal to appoint a Mediator or within 10 Working Days of notice to either party that he is unable or unwilling to act, apply to the Law Society to appoint a Mediator.

The parties shall within 10 working days of the appointment of the Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held. If considered appropriate, the parties may at any stage seek assistance from the Law Society to provide guidance on a suitable procedure.

Unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings.

If the parties reach agreement on the resolution of the dispute, the agreement shall be recorded in writing and shall be binding on the Parties once it is signed by their duly authorised representatives.

If the parties fail to reach agreement in the structured negotiations within 60 working days of the Mediator being appointed, or such longer period as may be agreed by the Parties, then any dispute or difference between them may be referred to the Courts.

This section is severable from the rest of the Agreement and shall remain valid and binding on both funding partners notwithstanding any termination of the Agreement.

9. TERMINATION

Subject to paragraph 10, this Agreement may be terminated by either party in writing at a date mutually agreed or by not less than six calendar months' written notice to the other such notice to expire on 31 March or 30 September in any year.

The funding by NFDC under this Agreement shall cease for a Service if the contract for that Service comes to an end or is terminated; NFDC funding for the other Services under this Agreement shall be unaffected.

10. FUNDING PARTNERS' AGREEMENT

The funding parties confirm their agreement to fund the Contract and make payments as set out above. If either funding partner withdraws from this arrangement before the expiry of the term agreed without giving six months' notice in writing or fails to pay the contributions, this may give rise to a compensation payment in respect of additional costs incurred by the non-defaulting party directly arising from such default, and the parties agree that such costs as may be reasonably incurred as a result of its actions can be recovered from the defaulting party PROVIDED THAT in no event shall either party be liable to the other under this Agreement for any loss of profits, business, revenue or goodwill; and/or loss of savings (whether anticipated or otherwise); and/or indirect or consequential loss or damage.

11. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement shall have no right to enforce any of its provisions which, expressly or by implication, confer a benefit on him, without the prior written agreement of both parties. This clause does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

12. NO PARTNERSHIP

Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

13. FREEDOM OF INFORMATION

The parties recognises that they are both subject to legal duties which may require the release of information under FOIA or any other applicable legislation or codes governing access to information and that either party may be under an obligation to provide information on request. Such information may include matters relating to arising out of or under this contract in any way.

This Agreement has been executed and delivered as a Deed on the day and year first above written.