

**The Highland Council**  
**Community Services Committee**

**4 February 2016**

Agenda Item	<b>13</b>
Report No	<b>COM 10/16</b>

**Transport Programme**

**Report by Director of Community Services**

**Summary**

This report presents recommendations for the award of Community Transport Grants for the three-year period 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2019.

**1. Background**

- 1.1 Community Services Committee of 5<sup>th</sup> November 2015 ([Report No. COM 60/15](#)) approved the community transport grant process for inviting and evaluating applications for 2016/17–2018/19. A sum of £376,000 per year for each of the three years is to be made available, on the basis of a flat-rate award with no inflationary uplift; an aggregate budget of £1,128,000 to support community transport service delivery over the three-year period.
- 1.2 The current level of funding supporting twenty-two providers of community transport services in the Highlands during 2015/16 is £416,961; this includes an allowance to support the training needs and significant/unexpected vehicle repairs of the sector (£31,513). Current grant agreements are in place until 31<sup>st</sup> March 2016. Current grant recipients are identified at Appendix 1.

**2. 2016/17 – 2018/19 Community Transport Grants Process**

- 2.1 Twenty-five applications were received – eighteen from current recipients and seven from new applicants.
- 2.2 Specific criteria have been used to assess the applications:-
- Benefit to the community or specific group within the community.
  - Project impact maximisation.
  - Promoting a fairer, more inclusive Highland.
  - Other sources of funding being available to create and support the project and activity during the funding period.

Fuller descriptions of the criteria are contained within Appendix 2.

- 2.3 Pre-application advice contained within the ‘application pack’ informed applicants that:-
- This is a competitive applications process; and that there is no guarantee that an application will be successful.
  - Access to a community transport grant awarded by The Highland Council can be

secured only once the intended recipient organisation has secured either 'Company Limited by Guarantee' status or 'Scottish Charitable Incorporated Organisation' status.

- 2.4 Each application has also been assessed to determine if there is likely to be State Aid evident in the awarding of a community transport grant. Applicants were advised that this would be undertaken. The criteria used to assess whether State Aid is likely in any of the community transport grant applications received is explained in Appendix 3.
- 2.5 It has been considered likely that State Aid is evident in two of the applications, from Badenoch & Strathspey Community Transport Company and Caithness Voluntary Group. This is in relation to the financial value of the proposed grants, combined with the use of paid drivers (by BSCTC) and the nature of some of their transport activities (CVG), resulting in these cases being potentially attractive to other Member State and/or alternative domestic operators.
- 2.6 Both groups have been written to, to seek clarification as to whether other grants they have received from a variety of sources were notified in writing to them as being a State Aid. If not, The Highland Council grant awards recommended for these two groups can be made under EC regulation No. 1407/2013 (*de minimis* aid regulation). The main difference between these two and the other grant awards being recommended is that The Highland Council be required to provide formal text notifying the recipient of the existence of State Aid in their grant and informing them of their requirement to maintain a record of this and the current limits placed on how much *de minimis* aid they can receive in any given three-year period (€200,000).
- 2.7 If either of the two applicants has already received significant *de minimis* aid meaning that the Council's grant would take them over the *de minimis* ceiling then there are two options open to the Council:-
- Consider issuing the grants under Services of General Economic Interest (SGEI) De Minimis Regulations. This would raise the *de minimis* ceiling to €500,000 for this grant. This would place on the Council the requirement of justifying and declaring this offer as an SGEI and notifying the Scottish Government of this (bi-annual reporting).
  - Consider using one of the General Block Exemption Regulation Schemes (GBERS) currently in operation in Scotland. The Council would have to identify which was the most appropriate scheme and take cognisance of the specific scheme rules in each case. At the very least these would place on the Council a requirement of annual reporting on the use of the GBERS.

Both of these options would entail significantly more monitoring, assessment and notification whilst also making the Council responsible for more regular reporting. Before the Council were to utilise either option it would be advisable to have detailed discussion with the Scottish Government State Aid Unit to ensure the best possible support for the Council's final decisions. These two options are, therefore, the least attractive and standard *de minimis* remains the preferred solution wherever possible.

- 2.8 The recommendations for award of community transport grants for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2019 are presented in Table 1 overleaf at paragraph 2.9 and a fuller set of details concerning each application is presented at Appendix 4.

2.9 Table 1 - Community Transport Grant Award Recommendations, 2016/17 – 2018/19

<b>Applicant</b>	<b>Current Annual Grant 2015/16</b>	<b>Recommended Annual Grant for each of 2016/17 – 2018/19</b>	<b>Recommended 3-year Aggregate Grant</b>
Ardersier, Petty, Croy and Culloden Moor Transport Association	£4,415	£4,200	£12,600
Badenoch & Strathspey Community Transport Company	£40,000	£30,000	£90,000
Beauly and District Care Project	N/A	£1,200	£3,600
Boleskine Community Care <sup>1</sup>	£10,750	£5,400	£16,200
Caithness Voluntary Group <sup>2</sup>	£37,100	£40,000	£120,000
Care Lochaber	£57,750	£57,750	£173,250
Drimnin Sealink Limited	N/A	£950	£2,850
Gairloch Community Car Scheme	£28,768	£34,626	£103,878
Glenelg and Arnisdale Bus User Group	£3,000	£3,100	£9,300
Helmsdale Community Transport	£3,685	£2,792	£8,376
High Life Highland <sup>3</sup>	£27,000	£6,000	£18,000
Lochaber Action on Disability	£2,748	£3,994	£11,982
Mey Village Hall	N/A	£3,000	£9,000
Minginish Community Minibus	N/A	£3,157	£9,471
Nairn Community Transport	£6,250	£6,250	£18,750
North West Community Bus Association	£23,065	£26,000	£78,000
Partnerships for Wellbeing	N/A	£0	£0
Ross-shire Voluntary Action <sup>4</sup>	£29,279	£29,279	£87,837
Shopmobility Highland SCIO	N/A	£12,500	£37,500
Scottish Highlands & Islands and Moray Chinese Association	N/A	£6,000	£18,000
Sleat Community Trust	£15,000	£15,000	£45,000
South West Ross Community Car Scheme	£27,555	£27,913	£83,739
Strathnairn Community Access and Transport Association	£8,022	£6,430	£19,290
Transport for Tongue Ltd.	£24,364	£24,364	£73,092
Wick & East Caithness Church and Community Transport	£4,415	£3,505	£10,515
Training and significant/unexpected vehicle repairs	£31,513	£15,000	£45,000
Development fund for assisting project growth and embryonic initiatives	N/A	£7,590	£22,770
<b>Totals</b>		<b>£376,000</b>	<b>£1,128,000</b>

Table Notes:

1. Previously the grant applicant was Fort Augustus and Glenmoriston Community Council for a pilot project. This has now focused on a community transport delivery project

submitted through Boleskine Community Care.

2. Previously the grant recipient was referred to as Caithness Rural Transport. It is now Caithness Voluntary Group with the project referred to as Caithness Rural Transport.
3. Previously the applicant was the Sunart Centre. The current application is from High Life Highland for the Sunart Centre Transport Initiative.
4. Previously the applicant was Black Isle Community Car Scheme. The current application is from Ross-shire Voluntary Action for a project incorporating the Black Isle Community Car Scheme and proposed Ross-shire Transport Partnership.

2.10 Five groups currently in receipt of a community transport grant did not submit an application:

- Bradbury Centre – this was known in advance, they advised they did not need a grant.
- Inverness and Nairn Transport Forum – this was known in advance as there is a winding-up process underway.
- Lochleven Community Minibus Association – this was unexpected. The group did not respond to the invitation, nor the reminder sent directly to them prior to the closing date for applications.
- Skye & Lochalsh Council for Voluntary Organisations – this was known in advance as they are no longer managing the community minibus project.
- Morvern Community Transport Association – this was expected. This organisation has advised the Council's Transport Unit that they have reached financial self-sufficiency and so did not submit a grant application. They have extended their gratitude to The Highland Council for its support through advice and grant funding over the years.

2.11 If Community Services Committee approves the recommendations made within this report then:-

- Initial notifications of grant award decisions shall be issued during w/c 8<sup>th</sup> February 2016, with detailed grant award documents issued subsequently.
- The following intended grant recipients will be advised that their grant award payments will be released following confirmation that the organisation has secured either 'Company Limited by Guarantee' status or 'Scottish Charitable Incorporated Organisation' status:
  - Ardersier, Petty, Croy & Culloden Moor Transport Association
  - Glenelg and Arnisdale Bus User group
  - Mey Village Hall
  - Minginish Community Minibus
  - Scottish Highlands & Islands and Moray Chinese Association
  - Wick and East Caithness Church

Should confirmation of status arrive before the issue of grant letters then this will not be a factor.

### **3. Implications**

#### **3.1 Resource**

Grant award recommendations are within the allocated budget.

#### **3.2 Legal**

- Grant award letters will be issued.
- Grant recipients will be advised in their grant award letters of the outcome of the State

Aid assessment (based on text supplied and recommended by the Scottish Government State Aid Unit) which they can use should they apply to other sources for funding in the future.

### 3.3 Equalities and Rural

Equalities and Rural Impact Assessments have been undertaken. These are located at:

[http://www.highland.gov.uk/downloads/download/404/equality\\_impact\\_assessments](http://www.highland.gov.uk/downloads/download/404/equality_impact_assessments)

The reports are entitled:

- Community Transport – Impact Assessment – Equalities Screening Report
- Community Transport – Impact Assessment – Full EQIA Report
- Community Transport – Impact Assessment – Rural Impact Report

### 3.4 Climate Change/Carbon Clever

Community transport services seek to provide efficient solutions to the travel needs of the community – scheduling to maximise impact and reduce cost are features of the sector. These services can also have the effect of reducing car journeys.

### 3.5 Risk

- Future demand for community transport services may extend beyond the sector's ability to cope without funding from other avenues.
- The ability of providers to continue delivering services as intended is heavily dependent on maintaining the engagement of volunteers.
- Groups must not lose sight of the probable need to increasingly diversify away from grant funding; nor neglect the need for timely financial planning to examine options beyond the three-year grant being awarded by The Highland Council.

### 3.6 Gaelic Implications

There are no specific Gaelic implications; community transport providers support Gaelic groups where these operate in their communities and some have Gaelic speakers amongst their volunteers. Others are looking at/already have some of their written communications in Gaelic.

## **Recommendation**

Members are invited to:

1. Approve the grant award recommendations.
2. Note that:-
  - a. There may be a delay in release of grant awards to certain organisations as they complete the process of securing Scottish Charitable Incorporated Organisation or Company Limited by Guarantee status.
  - b. There may be a delay in release of grant awards to certain organisations subject to clarification on State Aid issues which were identified during the State Aid assessment undertaken on each application.

Designation: Director of Community Services

Date: 22 January 2016

Author: Stephen Graham

## APPENDIX 1

### Community Transport Grant Recipients 2015/16

Applicant	Current Annual Grant
Arainn Shuaineirt	£27,000
Ardersier, Petty, Croy and Culloden Moor Transport Assoc.	£4,415
Badenoch & Strathspey Community Transport Company	£40,000
Black Isle Community Car Scheme	£29,279
Bradbury Centre	£380
Caithness Rural Transport	£37,100
Care Lochaber	£57,750
Fort Augustus and Glenmoriston Community Council	£10,750
Gairloch Community Car Scheme	£28,768
Helmsdale Community Transport	£3,685
Inverness & Nairn Transport Forum	£7,500
Lochaber Action on Disability	£2,748
Lochleven Community Minibus Association	£8,000
Morvern Community Transport Association	£11,000
Nairn Community Transport	£6,250
North West Community Bus Association	£23,065
Skye & Lochalsh Council for Voluntary Organisations	£10,902
Sleat Community Trust	£15,000
South West Ross Community Car Scheme	£27,555
Strathnairn Community Access and Transport Association	£8,022
Transport for Tongue Ltd.	£24,364
Wick & East Caithness Church and Community Transport	£4,415
Training and significant/unexpected vehicle repairs	£31,513

## **APPENDIX 2**

### **Application Evaluation Criteria**

#### **1. Benefit to the community or specific group within the community:**

- a. Demonstrate no or very limited appropriate public transport in proposed project operating area, and that any existing transport does not meet the needs being targeted by the project.
- b. Type of support being introduced to the community against proof of need—range of who will benefit and what community requirements will be served (e.g. enabling young people to socialise, allowing people to access work and permitting early morning travel, etc.).
- c. Flexibility of operating periods (e.g. to address identified needs at the specific times of the day/evening they will have most impact).
- d. Use of accessible vehicles (describing extent of accommodating features).
- e. Environmentally beneficial features.

#### **2. Project impact maximisation:**

- a. How the applicant/project will engage with the target client groups within the community.
- b. How the applicant/project will engage with other bodies, agencies and groups to boost impact.
- c. Clear identification of activity/milestone/target factors.

#### **3. Promoting a fairer, more inclusive Highland:**

- a. How the project proposal will progress The Highland Council equality aims of promoting a fairer, inclusive Highland.

#### **4. Other sources of funding being available to create and sustain the project and activity during the funding period.**



## APPENDIX 3

### State Aid Assessment Criteria

In conducting State Aid assessments The Highland Council has utilised the most-up-to-date advice from the Department for transport and the Scottish Government's State Aid Unit. These recommend considering:-

1. The scale of grants applied for in light of the *de minimis* aid regulation.
2. The specific nature of the activities being supported and their relative compatibility with commercial alternatives securing similar levels of local grant support.
3. The aggregation of scalable activities under the wider grant scheme which might attract non-domestic operators to consider investing in the area or might have the potential to reduce possible non-domestic investment in the area.

The Scottish Government State Aid Unit has confirmed that the Council's approach has been well-structured and robust.

Before the State Aid tests can be applied it is necessary to determine whether the following two aspects are present:-

1. Is the beneficiary an 'undertaking'? An undertaking is defined as any entity, regardless of its legal status, which is engaged in economic (commercial/competitive) activity and where there is a market in comparable goods or services.
2. Is an undertaking engaged in economic activity? This is defined as offering goods and/or services on a given market and which could, at least in principle, be carried out by a private operator for remuneration in order to make profits.

If these two initial assumptions are correct, four tests must then be applied to determine the possible presence of State Aid. The tests are:

1. There has been an intervention by the State or through State resources which can take a variety of forms (e.g. grants, interest and tax reliefs, guarantees, government holdings of all or part of a company, or providing goods and services on preferential terms, etc.)
2. The intervention gives the recipient an advantage on a selective basis, for example to specific companies or industry sectors, or to companies located in specific regions.
3. Competition has been or may be distorted.
4. The intervention is likely to affect trade between Member States.

## APPENDIX 4

### Community Transport Grant Recommendations, 2016/17 – 2018/19

Applicant	Type of Scheme	Recommended Grant		
		2016-17	2017-18	2018-19
Ardersier, Petty, Croy & Culloden Moor Transport Association	Group hire scheme with good links to many groups in widespread area. Minibus use is coordinated by the Nairn CT Scheme. Fills gaps in the off-peak bus service to Nairn previously withdrawn by Stagecoach.	£4,200	£4,200	£4,200
Badenoch & Strathspey Community Transport Company	Community car scheme and use of wheelchair accessible vehicles to provide affordable and accessible community transport services which will support vulnerable individuals and groups..	£30,000	£30,000	£30,000
Beauly and District Care Project	Operate a 2 day per week accessible minibus service to take people to the lunch club.	£1,200	£1,200	£1,200
Boleskine Community Care	Community car scheme to combat isolation and link volunteer drivers with people for whom transport is otherwise not possible. Stratherrick and Foyers has no taxi service or nor a bus service to link between Stratherrick and Foyers	£5,400	£5,400	£5,400
Caithness Voluntary Group	Wheelchair adapted transport (MPVs and minibus) for people in Caithness who have no personal transport of their own and no reasonable access to public transport. 40% of service users are wheelchair registered.	£40,000	£40,000	£40,000
Care Lochaber	Community car scheme. Lochaber-wide, supporting those who are older, experiencing ill-health, have mobility difficulties, and experiencing isolation to reach services and social activities.	£57,750	£57,750	£57,750
Drimnin Sealink Limited	Underwriting the operation of a water taxi from the small isolated community of Drimnin to Tobermory to improve access to shopping and other services for local residents, particularly the elderly.	£950	£950	£950
Gairloch Community Car Scheme	Community car scheme which enables local area transport provision, complementing existing public transport which is geared to longer distance needs.	£34,626	£34,626	£34,626
Glenelg and Arnisdale Bus User Group	Community dial-a-bus service for the remote communities of Glenelg and Arnisdale to enable connectivity with other public transport services providing onward connections to Kyle of Lochalsh, Inverness and routes emanating from there.	£3,100	£3,100	£3,100
Helmsdale Community Transport	Accessible minibus services to serve wide-ranging local area needs across all age groups.	£2,792	£2,792	£2,792
High Life Highland	Chartering buses twice weekly during school terms to transport people from Ardgour, Acharacle and Lochaline to participate in activities being held at the Sunart Centre in Strontian.	£6,000	£6,000	£6,000

Applicant	Type of Scheme	Recommended Grant		
		2016-17	2017-18	2018-19
Lochaber Action on Disability	Accessible minibus-based services supporting respite care trips, outings for wheelchair users, ambulant and disabled people and targeting the more rural areas.	£3,994	£3,994	£3,994
Mey Village Hall	Creating volunteer transport provision to help the elderly engage in social activities in the north east of the county.	£3,000	£3,000	£3,000
Minginish Community Minibus	Wheelchair accessible minibus to alleviate social isolation and improve access to services and activities to improve the welfare of the more vulnerable sections of the community.	£3,157	£3,157	£3,157
Nairn Community Transport	Accessible minibuses to enable a wide range of groups to participate in a variety of events and activities. The coordinator also manages the Ardersier minibus bookings and joint working between the groups is increasing.	£6,250	£6,250	£6,250
North West Community Bus Association	Accessible minibuses providing Kinlochbervie and surrounding villages with group transport to a wide range of events in an area where public transport is very sparse.	£26,000	£26,000	£26,000
Partnerships For Wellbeing	Seeks support to maintain current operations which are health and social care focused and are restricted through a Service Level Agreement with NHS Highland. Also seeking to develop new minibus-based services for other purposes. Likely risk of market displacement as service is based around the environs of Inverness which is generally well-served by public transport, private hire cars and taxi services. A case has been made for enhanced services but it is not clear how funding would be dedicated to additional services rather than supporting NHS work.	£0	£0	£0
Ross-shire Voluntary Action	A community car scheme has developed on the Black Isle over the past two years. Plans to develop partnerships in the future with existing/new community transport groups to provide a variety of services throughout the Easter Ross area. The plans for years two and three are not yet at a developed stage to consider awarding a higher grant than currently being spent. There would appear to be enough funding in the recommended award to allow for the project to be developed and other sources of funding sought to support the further proposals.	£29,279	£29,279	£29,279
Shopmobility Highland SCIO	Accessible minibus-based service for people with long and short term mobility problems to access shopping. Service area covers Black Isles, Easter Ross, Dingwall, Drumnadrochit, Nairn, and Inverness.	£12,500	£12,500	£12,500
Scottish Highlands & Islands and Moray Chinese Association	Minibus-based service to aid the integration of older Chinese people into the main Highland community by through attending a lunch club and facilitating participation in a range of multicultural activities (which are open to all ages, ethnic minorities and indigenous people alike).	£6,000	£6,000	£6,000
Sleat Community Trust	A subsidised taxi scheme which enables connections to be made with public transport provision and access to local services.	£15,000	£15,000	£15,000
South West Ross Community Car Scheme	A community car scheme which covers an area from Applecross and Kishorn to Achnasheen. A significant number of trips are very long distance in a remote and rural area where there is very little public transport.	£27,913	£27,913	£27,913

Applicant	Type of Scheme	Recommended Grant		
		2016-17	2017-18	2018-19
Strathnairn Community Access and Transport Association	Accessible minibus-based service to aid social inclusion opportunities such as local lunch and friendship clubs and to provide access to local services.	£6,430	£6,430	£6,430
Transport for Tongue Ltd.	Accessible minibus-based services facilitating access to local services and available to all age groups within the community Responding to changes in health and social care by providing community bus routes and working with local community run day centre in an area with limited public transport.	£24,364	£24,364	£24,364
Wick and East Caithness Church	Accessible minibus service available to help a large number of local groups, people of all ages and capabilities to access services and participate in activities.	£3,505	£3,505	£3,505
Training and significant / unexpected vehicle repairs	A central allowance which can be called on by all community transport providers to support these costs. Administered by Transport Unit.	£15,000	£15,000	£15,000
Development funds - project growth and embryonic initiatives	A central allowance which would allow some flexibility over the three years to support groups which identify particular development opportunities or to support new ideas which may emerge over the period. Administered by Transport Unit.	£7,590	£7,590	£7,590
Totals		£376,000	£376,000	£376,000